

## JOURNAL OF THE HOUSE

## Fifty-ninth Legislative Assembly

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Bismarck, April 1, 2005

The House convened at 8:00 a.m., with Speaker Klein presiding.

The prayer was offered by Pastor David Maxfield, Christ Lutheran Church, Minot.

The roll was called and all members were present except Representatives Brusegaard, Horter, Kaldor, and Pollert.

A quorum was declared by the Speaker.

**COMMUNICATION FROM GOVERNOR JOHN HOEVEN**

This is to inform you that on March 20, 2005, I have signed the following: HB 1052, HB 1064, HB 1086, HB 1091, HB 1156, HB 1161, HB 1165, HB 1178, HB 1193, HB 1211, HB 1225, HB 1262, HB 1404, HB 1431, HB 1501, and HB 1511.

Also, on March 31, 2005, I have signed the following: HB 1041, HB 1060, HB 1065, HB 1124, HB 1127, HB 1152, HB 1164, HB 1171, HB 1186, HB 1241, HB 1263, HB 1271, HB 1279, HB 1293, HB 1354, HB 1368, HB 1398, and HB 1517.

**CORRECTION AND REVISION OF THE JOURNAL**

**MR. SPEAKER:** Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully examined the Journal of the Fifty Ninth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1453, remove lines 33-37 and insert:

**"MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1008, HB 1370.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1008**

Page 1, line 23, replace "312,608" with "307,491"

Page 2, line 1, replace "23,500" with "53,500"

Page 2, line 3, replace "950,000" with "720,000"

Page 2, line 4, replace "1,442,000" with "1,236,883"

Page 2, line 5, replace "1,105,516" with "873,753"

Page 2, line 6, replace "336,484" with "363,130"

Page 2, line 12, replace "5,084,105" with "5,078,988"

Page 2, line 14, replace "58,511" with "88,511"

Page 2, line 17, replace "1,200,000" with "970,000"

Page 2, line 18, replace "11,426,261" with "11,221,144"

Page 2, line 19, replace "7,178,283" with "6,946,520"

Page 2, line 20, replace "4,247,978" with "4,274,624"

Page 2, line 22, replace "\$1,200,000" with "\$970,000"

Page 2, line 23, after the comma insert "consisting of \$800,000" and after "fund" insert "and \$170,000 from other sources"

Page 2, line 24, after the period insert "The commission must have written commitments for the \$170,000 from other sources before spending any moneys from the beginning farmer revolving loan fund."

Page 3, after line 16, insert:

**"SECTION 9. COMMISSION HEARING ROOM - LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the public service commission hearing room be available for use by other state agencies and by the legislative assembly during the regular session when not being used for commission business."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1008 - Public Service Commission - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,099,584	\$5,084,105	(\$5,117)	\$5,078,988
Operating expenses	1,408,153	1,408,153		1,408,153
Capital assets	58,511	58,511	30,000	88,511
Grants	7,000	7,000		7,000
Abandoned mined lands contractual services	3,668,492	3,668,492		3,668,492
Rail rate complaint case	<u>900,000</u>	<u>1,200,000</u>	<u>(230,000)</u>	<u>970,000</u>
Total all funds	\$11,141,740	\$11,426,261	(\$205,117)	\$11,221,144
Less estimated income	<u>5,985,139</u>	<u>7,178,283</u>	<u>(231,763)</u>	<u>6,946,520</u>
General fund	\$5,156,601	\$4,247,978	\$26,646	\$4,274,624
FTE	41.00	41.00	0.00	41.00

**Dept. 408 - Public Service Commission - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES RAIL CASE FUNDING <sup>2</sup>	ADDS FUNDING FOR SOUND SYSTEM <sup>3</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$5,117)			(\$5,117)
Operating expenses				
Capital assets			\$30,000	30,000
Grants				
Abandoned mined lands contractual services				
Rail rate complaint case		<u>(230,000)</u>		<u>(230,000)</u>
Total all funds	(\$5,117)	(\$230,000)	\$30,000	(\$205,117)
Less estimated income	<u>(1,763)</u>	<u>(230,000)</u>		<u>(231,763)</u>
General fund	(\$3,354)	\$0	\$30,000	\$26,646
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

<sup>2</sup> The Senate reduced the funding for the rail rate complaint case from \$1,200,000 to \$970,000. The funding for the case is \$800,000 from the beginning farmer revolving loan fund and \$170,000 from other sources. The Public Service Commission must have written commitments for the \$170,000 from other sources before spending any moneys from the beginning farmer revolving loan fund.

<sup>3</sup> The Senate added funding for improvements to the sound system in the Public Service Commission hearing room.

The Senate added legislative intent that the Public Service Commission hearing room be available to other state agencies and the Legislative Assembly when not in use by the Public Service Commission.

**SENATE AMENDMENTS TO HOUSE BILL NO. 1370**

Page 1, line 1, remove "subsection to" and replace "49-10.1-03" with "to chapter 49-02"

Page 1, line 5, remove "subsection to" and replace "49-10.1-03" with "to chapter 49-02"

Page 1, replace lines 7 through 11 with:

**"Railroad fuel surcharge - Restricted.** A railroad may not assess a fuel surcharge on a shipment of commodities originating in this state if the surcharge

exceeds the approximate increased cost of the fuel above what the fuel cost when zero surcharge was last assessed."

Renumber accordingly"

**REP. KRETSCHMAR MOVED** that the report be adopted, which motion prevailed.

#### **SIXTH ORDER OF BUSINESS**

**SPEAKER KLEIN DEEMED** approval of HB 1530 and SB 2217.

SB 2217, as amended, was rereferred to the **Appropriations Committee**.

HB 1530, as amended, was placed on the Eleventh order of business on the calendar.

#### **SECOND READING OF SENATE BILL**

**SB 2412:** A BILL for an Act to create and enact a new section to chapter 49-03 of the North Dakota Century Code, relating to electric service area agreements; to amend and reenact sections 49-02-01.1 and 49-03-01.5 of the North Dakota Century Code, relating to the jurisdiction of the public service commission and definitions; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 91 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gulleon; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Horter; Kaldor; Pollert

SB 2412 passed, the title was agreed to, and the emergency clause was declared carried.

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#### **MOTION**

**REP. BERG MOVED** that the House reconsider its action whereby the Senate Amendments to HB 1004 were adopted, which motion prevailed.

#### **MOTION**

**REP. BERG MOVED** that a Conference Committee on HB 1004 be appointed, which motion prevailed.

#### **SECOND READING OF HOUSE CONCURRENT RESOLUTION ON CONSENT CALENDAR**

**HCR 3059:** A concurrent resolution urging Congress to oppose federal legislation that would impair, erode, and limit the ability of state governments to regulate the business of insurance.

The question being on the final adoption of the resolution, which has been read.

HCR 3059 was declared adopted on a voice vote, and the title was agreed to.

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#### **MOTION**

**REP. BRANDENBURG MOVED** that the House reconsider its action whereby HB 1230 passed, which motion prevailed on a verification vote.

#### **MOTION**

**REP. BERG MOVED** for a DO NOT CONCUR on the Senate Amendments to HB 1230, which motion prevailed on a voice vote.

**MOTION**

**REP. BERG MOVED** that HB 1324 be laid over two legislative days, which motion prevailed.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. KEISER MOVED** that the House do not concur in the Senate amendments to HB 1332 as printed on HJ pages 1420-1422 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1332: Reps. Kasper, Vigesaa, Ekstrom.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. SVEDJAN MOVED** that the House do not concur in the Senate amendments to HB 1397 as printed on HJ page 1422 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1397: Reps. Brusegaard, Rennerfeldt, Gulleeson.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2111: Reps. Dosch, Nottestad, Amerman.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2174: Reps. Dosch, Dietrich, Thorpe.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2179: Reps. Vigesaa, Clark, Thorpe.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2187: Reps. N. Johnson, Ruby, Thorpe.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2190: Reps. Nottestad, Clark, Amerman.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2302: Reps. Maragos, Bernstein, Delmore.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2384: Reps. Klemin, Koppelman, Onstad.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. SVEDJAN MOVED** that the House do concur in the Senate amendments to HB 1024 as printed on HJ page 1422, which motion prevailed on a voice vote.

HB 1024, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1024:** A BILL for an Act making an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 86 YEAS, 4 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Brandenburg; Brusegaard; Carlisle; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gulleeson; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf;

Meyer, S.; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Carlson; Kasper; Koppelman; Weiler

**ABSENT AND NOT VOTING:** Boucher; Horter; Kaldor; Pollert

Engrossed HB 1024 passed, the title was agreed to, and the emergency clause was declared carried.

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#### MOTION

**REP. MONSON MOVED** that the House stand in recess until 12:30 p.m., which motion prevailed.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Klein presiding.

#### REPORT OF STANDING COMMITTEE

**SB 2003, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2003 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "a report" with "reports"

Page 1, line 4, replace "performance audit of the university of North Dakota school of medicine" with "legislative council study; to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants"

Page 1, line 5, remove "and health sciences"

Page 5, line 11, replace "1,130,634" with "1,214,694"

Page 5, line 12, replace "1,047,862" with "1,045,572"

Page 5, line 13, replace "(4,115,556)" with "(4,526,546)"

Page 5, after line 13, insert:

"Operations pool	(189,858)
Equity pool	2,000,000"

Page 5, line 16, replace "1,846,073" with "574,187"

Page 5, line 17, replace "35,480" with "186,480"

Page 5, line 21, replace "(\$1,002,386)" with "(\$642,350)"

Page 5, line 23, replace "515,845" with "875,881"

Page 5, line 26, replace "769,695" with "753,221"

Page 5, line 28, replace "(\$519,024)" with "(\$535,498)"

Page 5, line 30, replace "763,176" with "746,702"

Page 6, line 2, replace "361,425" with "357,307"

Page 6, line 4, replace "329,131" with "325,013"

Page 6, line 6, replace "704,131" with "700,013"

Page 6, line 9, replace "371,523" with "365,626"

Page 6, line 10, replace "6,907,685" with "8,047,685"

Page 6, line 11, replace "7,279,208" with "8,413,311"

Page 6, line 12, replace "6,910,000" with "7,960,000"

Page 6, line 13, replace "369,208" with "453,311"

Page 6, line 16, replace "8,070,453" with "8,178,476"

Page 6, line 18, replace "9,108,862" with "9,216,885"

Page 6, line 20, replace "8,008,862" with "8,116,885"

Page 6, line 23, replace "8,290,440" with "8,227,691"

Page 6, line 25, replace "(\$17,754,865)" with "(\$17,817,614)"

Page 6, line 27, replace "8,245,135" with "8,182,386"

Page 6, line 30, replace "1,072,000" with "1,050,004"

Page 6, line 31, replace "(3,320,168)" with "(1,620,168)"

Page 7, line 1, replace "(\$2,248,168)" with "(\$570,164)"

Page 7, line 2, replace "(3,300,000)" with "(1,600,000)"

Page 7, line 3, replace "1,051,832" with "1,029,836"

Page 7, line 6, replace "1,006,685" with "1,112,796"

Page 7, line 8, replace "(\$4,885,634)" with "(\$4,779,523)"

Page 7, line 10, replace "996,413" with "1,102,524"

Page 7, line 13, replace "409,157" with "401,295"

Page 7, line 14, replace "(4,060,595)" with "(3,910,595)"

Page 7, line 15, replace "(\$3,651,438)" with "(\$3,509,300)"

Page 7, line 17, replace "353,562" with "495,700"

Page 7, line 20, replace "1,469,553" with "1,446,271"

Page 7, line 21, replace "3,519,020" with "3,599,020"

Page 7, line 22, replace "4,988,573" with "5,045,291"

Page 7, line 24, replace "1,453,573" with "1,510,291"

Page 7, line 27, replace "512,599" with "501,854"

Page 7, line 29, replace "(\$3,297,619)" with "(\$3,308,364)"

Page 7, line 31, replace "755,681" with "744,936"

Page 8, line 3, replace "235,629" with "231,604"

Page 8, line 5, replace "3,635,691" with "3,631,666"

Page 8, line 7, replace "135,691" with "131,666"

Page 8, line 10, replace "1,209,963" with "1,195,137"

Page 8, line 11, replace "1,209,963" with "1,195,137"

Page 8, line 15, replace "213,000" with "210,630"

Page 8, line 16, replace "168,577" with "166,207"

Page 8, line 18, replace "283,577" with "281,207"

Page 8, line 19, replace "24,846,649" with "25,566,475"

Page 8, line 20, replace "(\$31,485,778)" with "(\$28,735,778)"

Page 8, line 21, replace "(\$6,639,129)" with "(\$3,169,303)"

Page 9, line 3, after "initiatives" insert "- New" and replace "1,615,940" with "1,700,000"

Page 9, line 4, replace "5,520,712" with "5,518,422"

Page 9, line 6, replace "20,974,083" with "20,563,093"

Page 9, line 7, replace "578,417" with "388,559"

Page 9, after line 7, insert:

"Equity pool

2,000,000"

Page 9, line 10, replace "4,776,288" with "3,504,402"

Page 9, line 11, replace "1,713,780" with "1,864,780"

Page 9, line 15, replace "59,471,851" with "59,831,887"

Page 9, line 17, replace "57,134,575" with "57,494,611"

Page 9, line 20, replace "16,882,022" with "16,865,548"

Page 9, line 22, replace "17,628,303" with "17,611,829"

Page 9, line 24, replace "17,125,503" with "17,109,029"

Page 9, line 27, replace "5,394,107" with "5,389,989"

Page 9, line 29, replace "5,781,644" with "5,777,526"

Page 10, line 1, replace "5,758,894" with "5,752,997"

Page 10, line 2, replace "6,996,475" with "8,136,475"

Page 10, line 3, replace "12,755,369" with "13,889,472"

Page 10, line 4, replace "6,910,000" with "7,960,000"

Page 10, line 5, replace "5,845,369" with "5,929,472"

Page 10, line 8, replace "92,628,579" with "92,736,602"

Page 10, line 10, replace "149,329,124" with "149,437,147"

Page 10, line 12, replace "94,929,124" with "95,037,147"

Page 10, line 15, replace "75,867,399" with "75,804,650"

Page 10, line 17, replace "77,559,625" with "77,496,876"

Page 10, line 20, replace "25,008,824" with "24,986,828"

Page 10, line 21, replace "1,122,252" with "2,822,252"

Page 10, line 22, replace "26,131,076" with "27,809,080"

Page 10, line 23, replace "368,920" with "2,068,920"

Page 10, line 24, replace "25,762,156" with "25,740,160"

Page 10, line 27, replace "14,605,516" with "14,711,627"

Page 10, line 29, replace "19,989,206" with "20,095,317"

Page 10, line 31, replace "14,989,206" with "15,095,317"

Page 11, line 3, replace "9,011,492" with "9,003,630"

Page 11, line 4, replace "1,708,994" with "1,858,994"

Page 11, line 5, replace "10,720,486" with "10,862,624"

Page 11, line 7, replace "9,220,486" with "9,362,624"

Page 11, line 10, replace "27,239,131" with "27,215,849"

Page 11, line 11, replace "4,131,870" with "4,211,870"

Page 11, line 12, replace "31,371,001" with "31,427,719"

Page 11, line 14, replace "27,836,001" with "27,892,719"

Page 11, line 17, replace "11,817,271" with "11,806,526"

Page 11, line 19, replace "12,357,687" with "12,346,942"

Page 11, line 21, replace "12,325,687" with "12,314,942"

Page 11, line 24, replace "4,338,485" with "4,334,460"

Page 11, line 26, replace "7,948,210" with "7,944,185"

Page 11, line 28, replace "4,448,210" with "4,444,185"

Page 12, line 1, replace "31,375,828" with "31,361,002"

Page 12, line 2, replace "31,375,828" with "31,361,002"

Page 12, line 6, replace "2,928,016" with "2,925,646"

Page 12, line 7, replace "3,029,654" with "3,027,284"

Page 12, line 9, replace "2,054,653" with "2,052,283"

Page 12, line 10, replace "386,388,067" with "387,107,893"

Page 12, line 11, replace "79,060,997" with "81,810,997"

Page 12, line 12, replace "465,449,064" with "468,918,890"

Page 12, line 13, replace "386,388,067" with "387,282,893"

Page 12, line 14, replace "162,403,497" with "165,153,497"

Page 12, line 15, replace "548,791,564" with "552,436,390"

Page 12, line 16, after "**INITIATIVES**" insert "- **NEW**" and replace "\$1,615,940" with "\$1,700,000"

Page 13, replace lines 12 through 16 with:

**"SECTION 9. EQUITY POOL - REPORT TO THE BUDGET SECTION.** The sum of \$2,000,000, or so much of the sum as may be necessary, included in the equity pool line item in subdivision 1 of section 3 of this Act, must be used to address equity at higher education institutions as determined by the state board of higher education. The state board of higher education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the budget section regarding the allocation of the equity pool. Funding allocations may be used as determined by the institutions but the allocations must be considered equity for budgetary purposes."

Page 13, line 17, after "The" insert "sum of \$150,000 of the"



Page 13, line 18, replace the comma with "must be allocated to private baccalaureate degree-granting institutions offering doctorate programs for doctoral incentives. The remainder of the funding"

Page 13, line 31, after the period insert "Twenty-five percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

Page 15, remove lines 26 through 31

Page 16, remove lines 1 and 2

Page 17, after line 17, insert:

**"SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY INSTITUTE.** The state board of higher education may enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a building on the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other private funds.

**SECTION 22. LEGISLATIVE INTENT - STUDENT EXCHANGE PROGRAMS.** It is the intent of the fifty-ninth legislative assembly that the state board of higher education consider allowing related faculty members and practicing professionals in the related fields in the state to assist in the selection of students awarded funding through the student exchange program and consider investigating options of entering contracts with other higher education institutions for providing opportunities for students to complete professional fields of study not offered through the North Dakota university system, specifically other institutions granting professional degrees targeting critical shortages in large animal veterinary practice.

**SECTION 23. LEGISLATIVE COUNCIL STUDY OF HIGHER EDUCATION FUNDING AND ACCOUNTABILITY.** The legislative council shall consider studying higher education funding and accountability during the 2005-06 interim. If conducted, the study should include a review of the progress made in implementing the higher education roundtable recommendations relating to the university system meeting the state's expectations and needs, the funding methodology needed to meet these expectations and needs, and the appropriate accountability and reporting system for the North Dakota university system. The review should include an independent consultant's evaluation of:

1. The roundtable recommendations and the goals and objectives of the North Dakota university system;
2. The long-term financing plan for the North Dakota university system, including a review of the peer institutions selected and updated funding comparisons;
3. The North Dakota university system's prioritization of higher education funding, including the resource allocation mechanism addressing equity funding issues and the funding for initiatives at North Dakota's colleges and universities; and
4. The accountability mechanisms.

The study should be conducted and the consultant selected with input from the state board of higher education. The independent consultant selected to do the evaluation shall possess a national reputation and experience in higher education governance and funding and management in multicampus public university systems.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 24. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$175,000 or so much of the sum as may be necessary, to the legislative council for the purpose of conducting the higher education study as provided for in this Act, for the biennium beginning July 1, 2005, and ending June 30, 2007. The legislative council may receive

any other funds available for conducting the study and such funds are hereby appropriated.

**SECTION 25. AMENDMENT.** Section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**15-62.2-01. Student financial assistance and scholars programs - Establishment - Administrative responsibility.** The North Dakota student financial assistance and scholars programs are established to provide grants or scholarships, or both, to assist the following students:

1. Resident undergraduate students pursuant to section 15-10-19.1.
2. North Dakota resident students who have attended and graduated from a high school in a bordering state pursuant to section 15-40.2-10, who are attending qualified institutions of postsecondary education within North Dakota.
3. North Dakota resident students who, because of physical or mental handicap as certified by a physician, are attending postsecondary institutions out of state due to the lack of special services or facilities, or both, necessary to meet the postsecondary educational needs of the handicapped students within North Dakota.
4. Scholars who qualify and are selected for scholarships pursuant to sections 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. The state board of higher education shall administer the student financial assistance program and the scholars program. At least twenty-five percent of the funds appropriated for the student financial assistance program must be allocated to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and American Indian institutions."

Page 17, line 18, after "assets" insert ", professional student exchange program,"

Page 17, line 19, replace "20" with "19"

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2003 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Legislative Council				
Total all funds	\$0	\$0	\$175,000	\$175,000
Less estimated income				
General fund	\$0	\$0	\$175,000	\$175,000
University System office				
Total all funds	\$387,926,815	\$59,471,851	\$360,036	\$59,831,887
Less estimated income	2,337,276	2,337,276		2,337,276
General fund	\$385,589,539	\$57,134,575	\$360,036	\$57,494,611
Bismarck State College				
Total all funds	\$2,302,800	\$20,870,803	(\$16,474)	\$20,854,329
Less estimated income	2,302,800	3,745,300		3,745,300
General fund	\$0	\$17,125,503	(\$16,474)	\$17,109,029
Lake Region State College				
Total all funds	\$343,875	\$5,781,644	(\$4,118)	\$5,777,526
Less estimated income				
General fund	\$343,875	\$5,781,644	(\$4,118)	\$5,777,526
Williston State College				
Total all funds	\$6,910,000	\$12,755,369	\$1,134,103	\$13,889,472
Less estimated income	6,910,000	6,910,000	1,050,000	7,960,000
General fund	\$0	\$5,845,369	\$84,103	\$5,929,472
University of North Dakota				
Total all funds	\$54,331,554	\$190,429,124	\$108,023	\$190,537,147
Less estimated income	54,331,554	95,500,000		95,500,000
General fund	\$0	\$94,929,124	\$108,023	\$95,037,147
UND Medical Center				
Total all funds	\$0	\$31,375,828	(\$14,826)	\$31,361,002
Less estimated income				

General fund	\$0	\$31,375,828	(\$14,826)	\$31,361,002
North Dakota State University				
Total all funds	\$34,000,000	\$111,559,625	(\$62,749)	\$111,496,876
Less estimated income	<u>34,000,000</u>	<u>34,000,000</u>		<u>34,000,000</u>
General fund	\$0	\$77,559,625	(\$62,749)	\$77,496,876
State College of Science				
Total all funds	\$368,920	\$26,131,076	\$1,678,004	\$27,809,080
Less estimated income	<u>368,920</u>	<u>368,920</u>	<u>1,700,000</u>	<u>2,068,920</u>
General fund	\$0	\$25,762,156	(\$21,996)	\$25,740,160
Dickinson State University				
Total all funds	\$5,000,000	\$19,989,206	\$106,111	\$20,095,317
Less estimated income	<u>5,000,000</u>	<u>5,000,000</u>		<u>5,000,000</u>
General fund	\$0	\$14,989,206	\$106,111	\$15,095,317
Mayville State University				
Total all funds	\$1,500,000	\$10,720,486	\$142,138	\$10,862,624
Less estimated income	<u>1,500,000</u>	<u>1,500,000</u>		<u>1,500,000</u>
General fund	\$0	\$9,220,486	\$142,138	\$9,362,624
Minot State University				
Total all funds	\$3,535,000	\$36,371,001	\$56,718	\$36,427,719
Less estimated income	<u>3,535,000</u>	<u>8,535,000</u>		<u>8,535,000</u>
General fund	\$0	\$27,836,001	\$56,718	\$27,892,719
Valley City State University				
Total all funds	\$282,000	\$12,357,687	(\$10,745)	\$12,346,942
Less estimated income	<u>32,000</u>	<u>32,000</u>		<u>32,000</u>
General fund	\$250,000	\$12,325,687	(\$10,745)	\$12,314,942
Minot State University - Bottineau				
Total all funds	\$0	\$7,948,210	(\$4,025)	\$7,944,185
Less estimated income		<u>3,500,000</u>		<u>3,500,000</u>
General fund	\$0	\$4,448,210	(\$4,025)	\$4,444,185
Forest Service				
Total all funds	\$3,029,654	\$3,029,654	(\$2,370)	\$3,027,284
Less estimated income	<u>975,001</u>	<u>975,001</u>		<u>975,001</u>
General fund	\$2,054,653	\$2,054,653	(\$2,370)	\$2,052,283
Bill Total				
Total all funds	\$499,530,618	\$548,791,564	\$3,644,826	\$552,436,390
Less estimated income	<u>111,292,551</u>	<u>162,403,497</u>	<u>2,750,000</u>	<u>165,153,497</u>
General fund	\$388,238,067	\$386,388,067	\$894,826	\$387,282,893

**Senate Bill No. 2003 - Legislative Council - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses			<u>\$175,000</u>	<u>\$175,000</u>
Total all funds	\$0	\$0	\$175,000	\$175,000
Less estimated income				
General fund	\$0	\$0	\$175,000	\$175,000
FTE	0.00	0.00	0.00	0.00

**Dept. 160 - Legislative Council - Detail of House Changes**

	PROVIDES FUNDING FOR A HIGHER EDUCATION STUDY <sup>1</sup>	TOTAL HOUSE CHANGES
Operating expenses	<u>\$175,000</u>	<u>\$175,000</u>
Total all funds	\$175,000	\$175,000
Less estimated income		
General fund	\$175,000	\$175,000
FTE	0.00	0.00

<sup>1</sup> This amendment provides for a Legislative Council study of higher education funding and accountability and provides a \$175,000 general fund appropriation to the Legislative Council for the purpose of conducting the study.

**Senate Bill No. 2003 - General Fund Summary**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	\$385,589,539	\$57,134,575	\$360,036	\$57,494,611
Bismarck State College		17,125,503	(16,474)	17,109,029
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College		5,845,369	84,103	5,929,472
University of North Dakota		94,929,124	108,023	95,037,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University		77,559,625	(62,749)	77,496,876
State College of Science		25,762,156	(21,996)	25,740,160
Dickinson State University		14,989,206	106,111	15,095,317
Mayville State University		9,220,486	142,138	9,362,624
Minot State University		27,836,001	56,718	27,892,719

Valley City State University	250,000	12,325,687	(10,745)	12,314,942
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185
Forest Service	<u>2,054,653</u>	<u>2,054,653</u>	<u>(2,370)</u>	<u>2,052,283</u>
Total general fund	\$388,238,067	\$386,388,067	\$719,826	\$387,107,893

## Detail of House Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES <sup>1</sup>	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	(\$13,280)		\$269,060	(\$400,000)	(\$189,858)	(\$1,271,886)
Bismarck State College	(16,474)	(\$185,000)				
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	<u>(2,370)</u>					
Total general fund	(\$278,316)	\$0	\$269,060	(\$400,000)	(\$189,858)	(\$1,271,886)

	INCREASES FUNDING FOR FOR PROFESSIONAL STUDENT EXCHANGE PROGRAM <sup>2</sup>	PROVIDES FUNDING FOR AN EQUITY POOL <sup>3</sup>	INCREASES FUNDING FOR OPERATIONS <sup>4</sup>	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS <sup>5</sup>	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT <sup>6</sup>	TOTAL GENERAL FUND CHANGES
University System office	\$151,000	\$2,000,000				\$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				\$90,000		84,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science						(21,996)
Dickinson State University			\$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						<u>(2,370)</u>
Total general fund	\$151,000	\$2,000,000	\$119,826	\$320,000	\$0	\$719,826

## Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	\$2,337,276	\$2,337,276		\$2,337,276
Bismarck State College	2,302,800	3,745,300		3,745,300
Lake Region State College				
Williston State College	6,910,000	6,910,000	\$1,050,000	7,960,000
University of North Dakota	54,331,554	95,500,000		95,500,000
UND Medical Center				
North Dakota State University	34,000,000	34,000,000		34,000,000
State College of Science	368,920	368,920	1,700,000	2,068,920
Dickinson State University	5,000,000	5,000,000		5,000,000
Mayville State University	1,500,000	1,500,000		1,500,000
Minot State University	3,535,000	8,535,000		8,535,000
Valley City State University	32,000	32,000		32,000
Minot State University - Bottineau		3,500,000		3,500,000
Forest Service	<u>975,001</u>	<u>975,001</u>		<u>975,001</u>
Total other funds	\$111,292,551	\$162,403,497	\$2,750,000	\$165,153,497

## Detail of House Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES <sup>1</sup>	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						

Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$0	\$0
	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM <sup>2</sup>	PROVIDES FUNDING FOR AN EQUITY POOL <sup>3</sup>	INCREASES FUNDING FOR OPERATIONS <sup>4</sup>	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS <sup>5</sup>	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT <sup>6</sup>	TOTAL OTHER FUNDS CHANGES
University System office						
Bismarck State College						
Lake Region State College						
Williston State College					\$1,050,000	\$1,050,000
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science					1,700,000	1,700,000
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$2,750,000	\$2,750,000

Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	\$387,926,815	\$59,471,851	\$360,036	\$59,831,887
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College	6,910,000	12,755,369	1,134,103	13,889,472
University of North Dakota	54,331,554	190,429,124	108,023	190,537,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University	34,000,000	11,559,625	(62,749)	111,496,876
State College of Science	368,920	26,131,076	1,678,004	27,809,080
Dickinson State University	5,000,000	19,989,206	106,111	20,095,317
Mayville State University	1,500,000	10,720,486	142,138	10,862,624
Minot State University	3,535,000	36,371,001	56,718	36,427,719
Valley City State University	282,000	12,357,687	(10,745)	12,346,942
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284
Total all funds	\$499,530,618	\$548,791,564	\$3,469,826	\$552,261,390
FTE	2196.67	2196.67	1.00	2197.67

Detail of House Changes to All Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES <sup>1</sup>	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	(\$13,280)	(\$185,000)	\$269,060	(\$400,000)	(\$189,858)	(\$1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	(\$278,316)	\$0	\$269,060	(\$400,000)	(\$189,858)	(\$1,271,886)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM <sup>2</sup>	PROVIDES FUNDING FOR AN EQUITY POOL <sup>3</sup>	INCREASES FUNDING FOR OPERATIONS <sup>4</sup>	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS <sup>5</sup>	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT <sup>6</sup>	TOTAL ALL FUNDS CHANGES
University System office	\$151,000	\$2,000,000				\$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				\$90,000	\$1,050,000	1,134,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)

State College of Science					1,700,000	1,678,004
Dickinson State University			\$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						<u>(2,370)</u>
Total all funds	\$151,000	\$2,000,000	\$119,826	\$320,000	\$2,750,000	\$3,469,826
FTE	0.00	0.00	1.00	0.00	0.00	1.00

<sup>1</sup> This amendment reduces the board initiatives line item by \$185,000 and increases the University of North Dakota's operations line by \$185,000 relating to the North Dakota University System's Arts and Humanities Summit (\$10,000) and Alcohol Consortium (\$175,000) which the University of North Dakota acts as the fiscal agent.

<sup>2</sup> This amendment increases funding for the professional student exchange program by \$151,000 from the general fund to fund 3 additional veterinary medicine slots.

<sup>3</sup> This amendment provides a \$2,000,000 general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education. The State Board of Higher Education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the Budget Section regarding the allocation of the equity pool.

<sup>4</sup> This amendment increases funding for the operations of Dickinson State University by \$119,826 from the general fund and authorizes 1 FTE position for custodial services and utility costs associated with the addition to Murphy Hall.

<sup>5</sup> Williston State College - This amendment provides funding of \$90,000 from the general fund for extraordinary repair needs in Stevens Hall.

Mayville State University - This amendment provides funding of \$150,000 from the general fund for extraordinary repair needs in Old Main.

Minot State University - This amendment provides funding of \$80,000 from the general fund for extraordinary repair needs in the student union ballroom

<sup>6</sup> Williston State College - This amendment provides Williston State College with a \$1,050,000 special funds appropriation for an oil well training site on campus.

State College of Science - This amendment increases the capital assets line item for the State College of Science by \$1.7 million from special funds for renovating the college's football stadium and track.

### Senate Bill No. 2003 - Other Changes - House Action

This amendment also:

- Removes Section 9 of the engrossed bill relating to student financial assistance grants.
- Provides for \$150,000 of the funding appropriated for education incentive programs to be provided to private baccalaureate degree-granting institutions for doctoral incentives.
- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences.
- Adds a new section relating to the Career and Technology Institute at Bismarck State College.
- Adds a new section relating to student exchange programs.
- Adds a new section amending North Dakota Century Code Section 15-62.2-01 to provide for the allocation of funding appropriated for the student financial assistance program.

### REPORT OF STANDING COMMITTEE

**SB 2145, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 10 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2145 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for acquisition of certain land by the parks and recreation department; to provide an appropriation; to provide a continuing appropriation; to provide for a legislative council study; and to provide for reports to the legislative council.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. ACQUISITION OF LAND AUTHORIZED - APPROPRIATION -**

**USE OF PROCEEDS OF SALE - LEGISLATIVE COUNCIL STUDY - REPORTS -  
PARKS AND RECREATION DEPARTMENT LAND ACQUISITION STUDY.**

1. The parks and recreation department may acquire 5,225.2 acres of land, more or less, in western North Dakota. The land acquired under this authorization is subject to the following conditions and restrictions:
  - a. Land acquired pursuant to this section must remain open to grazing, hunting, the current purposes for which the land is used, and other normal recreational activities and use as otherwise provided in the general area.
  - b. Energy exploration, development, and extraction activities may not be limited or restricted on any land acquired under this section.
  - c. Land acquired pursuant to this section must be leased so as to maintain current grazing activities and relationships in the general area.
  - d. Land acquired pursuant to this section may not be encumbered by a conservation easement, preservation easement, or similar land use restriction.
  - e. Land acquired pursuant to this section may not be sold, conveyed, or transferred to the United States or any instrumentality of the United States.
  - f. Land acquired pursuant to this section is subject to existing or future right-of-way easements acquired pursuant to title 24 or 32 for public transportation requirements identified by political subdivisions or the state.
  - g. The attorney general shall approve all documents necessary to effectuate the acquisition authorized by this section as to form and legality.
2. There is appropriated \$522,520 from the game and fish fund, \$2,476,760 from the accumulated undivided profits of the Bank of North Dakota and \$524,720 from federal or other special funds, or so much of the amounts as may be necessary, to the parks and recreation department, for the purpose of defraying the expenses of the purchase of the land described in subsection 1, for the period beginning with the effective date of this Act and ending June 30, 2007.
3. The parks and recreation department may sell any parcel or parcels of land included in the acquisition authorized by this section, subject to the restrictions in subdivision e of subsection 1 and the restriction that the department reserve any minerals the department acquires pursuant to this section. Funds received by the parks and recreation department from such sales must be used to restore the funds utilized from the accumulated undivided profits of the Bank of North Dakota and the game and fish fund in the same ratio that these funds are used to make the land acquisition authorized by this Act.
4. The legislative council shall study, during the 2005-06 interim, issues related to the parks and recreation department land acquisition authorized by this section. The legislative council shall monitor the acquisition. The study must include a determination of the future public usefulness and benefit of the land acquired under this section and how much of the main parcel the state should retain. The parks and recreation department and the board of university and school lands shall report periodically to the legislative council the status of the acquisition authorized by this section. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 2. ACQUISITION OF LAND AUTHORIZED - APPROPRIATION -  
USE OF PROCEEDS OF SALE - LEGISLATIVE COUNCIL STUDY - REPORTS -  
PARKS AND RECREATION DEPARTMENT LAND ACQUISITION STUDY.**

1. The parks and recreation department may acquire 5,225.2 acres of land, more or less, in western North Dakota. The attorney general shall approve all documents necessary to effectuate the acquisition authorized by this section as to form and legality.
2. There is appropriated \$3,524,000 from the accumulated undivided profits of the Bank of North Dakota, or so much of the amount as may be necessary, to the parks and recreation department, for the purpose of defraying the expenses of the purchase of the land described in subsection 1, for the period beginning with the effective date of this Act and ending June 30, 2007.
3. The parks and recreation department may sell any parcel or parcels of land included in the acquisition authorized by this section. Funds received by the parks and recreation department from such sales must be used to restore the funds utilized from the accumulated undivided profits of the Bank of North Dakota.
4. Land acquired pursuant to this section may not be encumbered by a conservation easement, preservation easement, or similar land use restriction.
5. The legislative council shall study, during the 2005-06 interim, issues related to the parks and recreation department land acquisition authorized by this section. The legislative council shall monitor the acquisition. The study must include a determination of the future public usefulness and benefit of the land acquired under this section and how much of the main parcel the state should retain. The parks and recreation department and the board of university and school lands shall report periodically to the legislative council the status of the acquisition authorized by this section. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 3. ACQUISITION OF LAND AUTHORIZED - LEGISLATIVE COUNCIL STUDY - REPORTS - PARKS AND RECREATION DEPARTMENT LAND ACQUISITION STUDY.**

1. The parks and recreation department may acquire by gift that portion of the Eberts ranch that encompasses the viewshed and the primitive park area, in western North Dakota. The state and its officials shall use their best efforts to secure federal funds and a conservation easement or similar land use restriction for the sellers. In consideration of and in exchange for the best efforts of the state and its officials to obtain federal funds and the conservation easement, the sellers shall convey that portion of the Eberts ranch containing the viewshed and the primitive park area to the state. The conservation easement must be placed on the entire parcel. The land acquired under this authorization is subject to the following conditions and restrictions:
  - a. Land acquired pursuant to this section must remain open to grazing, hunting, the current purposes for which the land is used, and other normal recreational activities and use as otherwise provided in the general area.
  - b. Energy exploration, development, and extraction activities may not be limited or restricted on any land acquired under this section.
  - c. Land acquired pursuant to this section must be leased so as to maintain current grazing activities and relationships in the general area.
  - d. Land acquired pursuant to this section may not be sold, conveyed, or transferred to the United States or any instrumentality of the United States.
  - e. Land acquired pursuant to this section is subject to existing or future right-of-way easements acquired pursuant to title 24 or 32 for public transportation requirements identified by political subdivisions or the state.



- f. The attorney general shall approve all documents necessary to effectuate the acquisition authorized by this section as to form and legality.
2. The legislative council shall study, during the 2005-06 interim, issues related to the parks and recreation department land acquisition authorized by this section. The legislative council shall monitor the acquisition. The study must include a determination of the future public usefulness and benefit of the land acquired under this section. The parks and recreation department and the board of university and school lands shall report periodically to the legislative council the status of the acquisition authorized by this section. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 4. ACQUISITION OF LAND AUTHORIZED - APPROPRIATION - USE OF PROCEEDS OF SALE - CONTINUING APPROPRIATION - PAYMENTS IN LIEU OF TAXES - LEGISLATIVE COUNCIL STUDY - REPORTS - PARKS AND RECREATION DEPARTMENT LAND ACQUISITION STUDY.**

1. The parks and recreation department may acquire 5,225.2 acres of land, more or less, known as the Eberts ranch, in western North Dakota. The land acquired under this authorization is subject to the following conditions and restrictions:
  - a. Land acquired pursuant to this section must remain open to grazing, hunting, oil and gas production, low-impact recreational activities, and other normal uses otherwise provided in the general area.
  - b. Rights to oil and gas mineral exploration, development, and production must remain in force but reasonable conditions for exploration and development of oil and gas may be established by the board of university and school lands.
  - c. Land acquired pursuant to this section must be leased so as to maintain current grazing activities and relationships in the general area.
  - d. Land acquired pursuant to this section may not be encumbered by a conservation easement, preservation easement, or similar land use restriction.
  - e. Land acquired pursuant to this section must be maintained as a working ranch. The parks and recreation department shall manage the property to preserve the grazing, haying, ranching, and oil and gas development practices currently in force and develop low-impact recreational activities.
  - f. The attorney general shall approve all documents necessary to effectuate the acquisition authorized by this section as to form and legality.
2. There is appropriated \$522,520 from the game and fish fund, \$2,476,760 from the accumulated undivided profits of the Bank of North Dakota, and \$524,720 from federal or other special funds, or so much of the amounts as may be necessary to the parks and recreation department, for the purpose of defraying the expenses of the purchase of the land described in subsection 1, for the period beginning with the effective date of this Act and ending June 30, 2007.
3. The parks and recreation department may sell any parcel or parcels of land included in the acquisition authorized by this section, subject to the restriction that the department reserve any minerals the department acquires pursuant to this section. Funds received by the parks and recreation department from such sales must be used to restore the funds utilized from the accumulated undivided profits of the Bank of North Dakota and the game and fish fund in the same ratio that these funds are used to make the land acquisition authorized by this section. The parks and recreation department may lease any parcel or parcels of land acquired

under this section. Up to one-half of the funds received by the department from leasing activity may be used to defray the maintenance and management costs incurred by the department on land acquired pursuant to this section. The remaining lease funds must be used to restore the funds utilized from the accumulated undivided profits of the Bank of North Dakota and the game and fish fund in the same ratio that these funds are used to make the land acquisition authorized by this section. Any lease income earned by the department under this section is appropriated to the department on a continuing basis for the purposes specified in this section.

4. The department shall make payments in lieu of property taxes on the property acquired pursuant to this section calculated in the same manner as if the property were subject to full assessment and levy of property taxes.
5. The legislative council shall study, during the 2005-06 interim, issues related to the parks and recreation department land acquisition authorized by this section. The study must include preparation of a plan by the parks and recreation department of future public uses and benefit of the land acquired by this section as well as how much of the main parcel the state should retain. The parks and recreation department shall report periodically to the legislative council concerning implementation of this section and the extent to which the department is complying with the ranching, grazing, oil and gas development, grassland activity, tourism, and low-impact recreational conditions contained in this section. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 5. SELLER TO EXERCISE OPTION - EXPIRATION.** Sections 1, 2, 3, and 4 of this Act are options for acquisition of the land described in those sections. The seller may exercise its option to sell or convey the land described in this Act by indicating its preference for the procedure described in section 1, 2, 3, or 4 of this Act. The seller shall communicate its option to the governor by December 31, 2005. If the seller has not selected an option by December 31, 2005, the options expire and are of no force and effect."

Renumber accordingly

#### **SIXTH ORDER OF BUSINESS**

**SPEAKER KLEIN DEEMED** approval of SB 2003 and SB 2145.

SB 2003 and SB 2145, as amended, were placed on the Fourteenth order of business on the calendar.

#### **SECOND READING OF SENATE BILL**

**SB 2003:** A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide statements of legislative intent; to provide for reports to the budget section; to provide for a legislative council study; to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 85 YEAS, 6 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Dietrich; Dosch; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gulleon; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Bellew; Delzer; Devlin; Drovda; Kempenich; Skarphol

**ABSENT AND NOT VOTING:** Horter; Kaldor; Pollert

Engrossed SB 2003 passed, the title was agreed to, and the emergency clause was declared carried.

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### SECOND READING OF SENATE BILL

**SB 2145:** A BILL for an Act to provide for acquisition of certain land by the parks and recreation department; to provide an appropriation; to provide a continuing appropriation; to provide for a legislative council study; and to provide for reports to the legislative council.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 21 YEAS, 70 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Belter; Berg; Carlson; Conrad; Dietrich; Ekstrom; Glassheim; Grande; Hanson; Kasper; Kelsh, S.; Kretschmar; Kroeber; Maragos; Metcalf; Nicholas; Nottestad; Potter; Svedjan; Zaiser

**NAYS:** Amerman; Bellew; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Charging; Clark; Damschen; DeKrey; Delmore; Delzer; Devlin; Dosch; Drovdal; Froelich; Froseth; Galvin; Gulleson; Haas; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Martinson; Meier, L.; Meyer, S.; Monson; Mueller; Nelson; Norland; Onstad; Owens; Pietsch; Porter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Speaker Klein

**ABSENT AND NOT VOTING:** Horter; Kaldor; Pollert

Engrossed SB 2145 lost.

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### REPORT OF STANDING COMMITTEE (MINORITY)

**SB 2014, as engrossed: Appropriations (Rep. K. Svedjan, Chairman)** A MINORITY of your committee (Reps. Skarphol, Wald, Carlson, Monson, Delzer, Pollert, Bellew) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 8, after "resources" insert "; to repeal section 3 of chapter 491 of the 2003 Session Laws, relating to expiration of the authorization for the state to purchase oil put options; to provide for a report to the legislative council"

Page 3, line 5, replace "\$173,615" with "\$205,071"

Page 3, line 9, replace "7,461,422" with "7,461,422"

Page 3, after line 9, insert:

"Oil and gas division contingency 225,000"

Page 3, line 10, replace "6,198,090" with "6,391,634"

Page 3, line 11, replace "6,363,049" with "6,583,689"

Page 3, line 12, replace "\$164,959" with "\$192,055"

Page 3, line 15, replace "1,721,983" with "1,625,778"

Page 3, remove line 16

Page 3, line 17, replace "10,447,000" with "(553,000)"

Page 3, line 19, replace "13,551,518" with "1,272,778"

Page 3, line 27, replace "657,285" with "641,435"

Page 3, line 30, replace "2,675,102" with "2,659,252"

Page 4, line 2, replace "468,942" with "446,894"

Page 4, line 5, replace "305,940" with "283,892"

Page 4, line 6, replace "(\$2,539,959)" with "(\$2,567,055)"

Page 4, line 7, replace "25,270,609" with "13,174,611"

Page 4, line 8, replace "22,730,650" with "10,607,556"

Page 4, line 17, replace "6,071,048" with "6,039,592"

Page 4, line 21, replace "27,292,412" with "27,292,412"

Page 4, after line 21, insert:

"Oil and gas division contingency 225,000"

Page 4, line 22, replace "50,516,810" with "50,710,354"

Page 4, line 23, replace "43,654,885" with "43,875,525"

Page 4, line 24, replace "6,840,444" with "6,834,829"

Page 4, line 27, replace "18,176,480" with "18,153,392"

Page 4, line 29, replace "18,722,000" with "272,000"

Page 4, line 31, replace "49,524,145" with "31,051,057"

Page 5, line 11, replace "17,348,241" with "17,332,391"

Page 5, line 14, replace "250,000" with "50,000"

Page 5, line 15, replace "32,857,254" with "32,641,404"

Page 5, line 18, replace "4,382,167" with "4,376,801"

Page 5, line 22, replace "33,879,025" with "33,873,659"

Page 5, line 23, replace "12,540,444" with "12,534,829"

Page 5, line 24, replace "162,286,824" with "143,816,645"

Page 5, line 25, replace "174,827,268" with "156,351,474"

Page 8, remove lines 9 through 18

Page 8, replace lines 24 through 26 with:

**"SECTION 15. UNOBLIGATED MONEYS IN PARTNERSHIP FOR COMMUNITY EXPANSION FUND - TRANSFER TO THE GENERAL FUND.**

Notwithstanding section 6-09.14-02, any unobligated moneys, up to \$2,200,000, in the partnership in assisting community expansion fund as of June 30, 2005, shall be returned to the general fund and considered general fund turnback.

**SECTION 16. CONTINGENT OIL AND GAS DIVISION FUNDING - EMERGENCY COMMISSION APPROVAL.** The funds appropriated in the oil and gas division contingency line item in subdivision 1 of section 3 of this Act are from the land and minerals trust fund. If funds are required due to the average drilling rig count exceeding thirty active rigs for each month in any consecutive three-month period, the oil and gas division may spend moneys from this line item upon emergency commission approval. The oil and gas division may hire up to two full-time equivalent positions with the contingency funds."

Page 17, after line 6, insert:

"SECTION 30. REPEAL. Section 3 of chapter 491 of the 2003 Session Laws is repealed.

**SECTION 31. STATE MILL AND ELEVATOR ASSOCIATION - REPORT TO BUDGET SECTION.** The manager of the state mill and elevator association shall present an annual report to the budget section of the legislative council. The report must include the current role and mission of the state mill and elevator association and short-term and long-term plans for acquisitions, construction, renovation, equipment upgrading, sales and marketing, personnel, and all financial matters. The report also must include a description of efforts by the state mill and elevator association to inform legislators about the role, mission, and operations of the state mill and elevator association."

Page 17, line 8, replace "15" with "14"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2014 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Industrial Commission				
Total all funds	\$50,516,810	\$50,491,844	\$218,510	\$50,710,354
Less estimated income	43,654,885	43,651,400	224,125	43,875,525
General fund	\$6,861,925	\$6,840,444	(\$5,615)	\$6,834,829
Bank of North Dakota				
Total all funds	\$51,404,797	\$57,599,145	(\$18,473,088)	\$39,126,057
Less estimated income	45,704,797	51,899,145	(18,473,088)	33,426,057
General fund	\$5,700,000	\$5,700,000	\$0	\$5,700,000
Housing Finance Agency				
Total all funds	\$33,895,707	\$33,879,025	(\$5,366)	\$33,873,659
Less estimated income	33,895,707	33,879,025	(5,366)	33,873,659
General fund	\$0	\$0	\$0	\$0
Mill and Elevator				
Total all funds	\$32,657,254	\$32,857,254	(\$215,850)	\$32,641,404
Less estimated income	32,657,254	32,857,254	(215,850)	32,641,404
General fund	\$0	\$0	\$0	\$0
Bill Total				
Total all funds	\$168,474,568	\$174,827,268	(\$18,475,794)	\$156,351,474
Less estimated income	155,912,643	162,286,824	(18,470,179)	143,816,645
General fund	\$12,561,925	\$12,540,444	(\$5,615)	\$12,534,829

#### Senate Bill No. 2014 - Industrial Commission - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$6,071,048	\$6,046,082	(\$6,490)	\$6,039,592
Operating expenses	1,907,850	1,907,850		1,907,850
Capital assets	45,500	45,500		45,500
Lignite research and development	15,200,000	15,200,000		15,200,000
Grants - Bond payments	27,292,412	27,292,412		27,292,412
Oil and Gas Division contingency			225,000	225,000
Total all funds	\$50,516,810	\$50,491,844	\$218,510	\$50,710,354
Less estimated income	43,654,885	43,651,400	224,125	43,875,525
General fund	\$6,861,925	\$6,840,444	(\$5,615)	\$6,834,829
FTE	51.37	51.37	0.00	51.37

#### Dept. 405 - Industrial Commission - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS CONTINGENCY FUNDING FOR OIL AND GAS DIVISION <sup>1</sup>	TOTAL HOUSE CHANGES
Salaries and wages	(\$6,490)		(\$6,490)
Operating expenses			
Capital assets			
Lignite research and development			
Grants - Bond payments			
Oil and Gas Division			

contingency		<u>\$225,000</u>	<u>225,000</u>
Total all funds	(\$6,490)	\$225,000	\$218,510
Less estimated income	<u>(875)</u>	<u>225,000</u>	<u>224,125</u>
General fund	(\$5,615)	\$0	(\$5,615)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adds contingency funding of \$225,000 from the lands and minerals trust fund for the Oil and Gas Division to hire up to 2 full-time equivalent positions (1 field inspector and 1 plugging and reclamation supervisor) if the average drilling rig count exceeds 30 active rigs for each month in any consecutive three-month period, upon Emergency Commission approval.

#### Senate Bill No. 2014 - Bank of North Dakota - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$18,249,597	\$18,176,480	(\$23,088)	\$18,153,392
Operating expenses	12,108,200	10,925,665		10,925,665
Capital assets	11,272,000	18,722,000	(18,450,000)	272,000
Contingencies	1,700,000	1,700,000		1,700,000
PACE fund	5,700,000	5,700,000		5,700,000
Agriculture PACE fund	1,425,000	1,425,000		1,425,000
Beginning farmer revolving loan fund	950,000	950,000		950,000
Total all funds	\$51,404,797	\$57,599,145	(\$18,473,088)	\$39,126,057
Less estimated income	<u>45,704,797</u>	<u>51,899,145</u>	<u>(18,473,088)</u>	<u>33,426,057</u>
General fund	\$5,700,000	\$5,700,000	\$0	\$5,700,000
FTE	178.50	178.50	0.00	178.50

#### Dept. 471 - Bank of North Dakota - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REMOVES FUNDING FOR A NEW BANK BUILDING <sup>1</sup>	TOTAL HOUSE CHANGES
Salaries and wages	(\$23,088)		(\$23,088)
Operating expenses			
Capital assets		(\$18,450,000)	(18,450,000)
Contingencies			
PACE fund			
Agriculture PACE fund			
Beginning farmer revolving loan fund			
Total all funds	(\$23,088)	(\$18,450,000)	(\$18,473,088)
Less estimated income	<u>(23,088)</u>	<u>(18,450,000)</u>	<u>(18,473,088)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes the spending authority for a new Bank of North Dakota building.

This amendment also removes Section 14 of the bill added by the Senate providing legislative intent for the Bank of North Dakota to lease space in its new building to other state agencies and adds a section to provide for the Bank of North Dakota to turn back unobligated general fund money of up to \$2.2 million in the partnership in assisting community expansion fund to the general fund as of June 30, 2005.

#### Senate Bill No. 2014 - Housing Finance Agency - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,398,849	\$4,382,167	(\$5,366)	\$4,376,801
Operating expenses	2,805,578	2,805,578		2,805,578
Grants	26,591,280	26,591,280		26,591,280
HFA contingencies	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>
Total all funds	\$33,895,707	\$33,879,025	(\$5,366)	\$33,873,659
Less estimated income	<u>33,895,707</u>	<u>33,879,025</u>	<u>(5,366)</u>	<u>33,873,659</u>
General fund	\$0	\$0	\$0	\$0
FTE	43.00	43.00	0.00	43.00

#### Dept. 473 - Housing Finance Agency - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	TOTAL HOUSE CHANGES
Salaries and wages	(\$5,366)	(\$5,366)
Operating expenses		
Grants		
HFA contingencies		
Total all funds	(\$5,366)	(\$5,366)
Less estimated income	<u>(5,366)</u>	<u>(5,366)</u>
General fund	\$0	\$0
FTE	0.00	0.00

**Senate Bill No. 2014 - Mill and Elevator - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$17,348,241	\$17,348,241	(\$15,850)	\$17,332,391
Operating expenses	14,959,013	14,959,013		14,959,013
Contingencies	300,000	300,000		300,000
Agriculture promotion	<u>50,000</u>	<u>250,000</u>	<u>(200,000)</u>	<u>50,000</u>
Total all funds	\$32,657,254	\$32,857,254	(\$215,850)	\$32,641,404
Less estimated income	<u>32,657,254</u>	<u>32,857,254</u>	<u>(215,850)</u>	<u>32,641,404</u>
General fund	\$0	\$0	\$0	\$0
FTE	127.00	127.00	0.00	127.00

**Dept. 475 - Mill and Elevator - Detail of House Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REDUCES FUNDING FOR AGRICULTURE PROMOTION <sup>1</sup>	TOTAL HOUSE CHANGES
Salaries and wages	(\$15,850)		(\$15,850)
Operating expenses			
Contingencies			
Agriculture promotion		<u>(\$200,000)</u>	<u>(200,000)</u>
Total all funds	(\$15,850)	(\$200,000)	(\$215,850)
Less estimated income	<u>(15,850)</u>	<u>(200,000)</u>	<u>(215,850)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes the \$200,000 addition made by the Senate to the agriculture promotion line item, resulting in a total of \$50,000 for agriculture promotion.

This amendment also removes Section 16 of the bill added by the Senate for the transfer of \$250,000 from the Mill and Elevator's agriculture promotion line to the Trade Promotion Authority.

**Senate Bill No. 2014 - Other Changes - House Action**

This amendment also repeals Section 3 of Chapter 491 of the 2003 Session Laws relating to the expiration of the authorization for the state to purchase oil put options.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

**REPORT OF STANDING COMMITTEE (MAJORITY)**

**SB 2014, as engrossed: Appropriations (Rep. K. Svedjan, Chairman)** A MAJORITY of your committee (Reps. Thoreson, Svedjan, Timm, Martinson, Brusegaard, Rennerfeldt, Aarsvold, Guleson, Carlisle, Kempenich, Kroeber, Williams, Glassheim, Wieland, Kerzman, Metcalf) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 8, after "resources" insert "; to repeal section 3 of chapter 491 of the 2003 Session Laws, relating to expiration of the authorization for the state to purchase oil put options; to provide for a report to the legislative council"

Page 3, line 5, replace "\$173,615" with "\$205,071"

Page 3, line 9, replace "7,461,422" with "7,461,422"

Page 3, after line 9, insert:

"Oil and gas division contingency 225,000"

Page 3, line 10, replace "6,198,090" with "6,391,634"

Page 3, line 11, replace "6,363,049" with "6,583,689"

Page 3, line 12, replace "\$164,959" with "\$192,055"

Page 3, line 15, replace "1,721,983" with "1,625,778"

Page 3, remove line 16

Page 3, line 19, replace "13,551,518" with "12,272,778"

Page 3, line 27, replace "657,285" with "641,435"

Page 3, line 30, replace "2,675,102" with "2,659,252"

Page 4, line 2, replace "468,942" with "446,894"

Page 4, line 5, replace "305,940" with "283,892"

Page 4, line 6, replace "\$2,539,959" with "\$2,567,055"

Page 4, line 7, replace "25,270,609" with "24,174,611"

Page 4, line 8, replace "22,730,650" with "21,607,556"

Page 4, line 17, replace "6,071,048" with "6,039,592"

Page 4, line 21, replace "27,292,412" with "27,292,412"

Page 4, after line 21, insert:

"Oil and gas division contingency 225,000"

Page 4, line 22, replace "50,516,810" with "50,710,354"

Page 4, line 23, replace "43,654,885" with "43,875,525"

Page 4, line 24, replace "6,840,444" with "6,834,829"

Page 4, line 27, replace "18,176,480" with "18,153,392"

Page 4, line 29, replace "18,722,000" with "11,272,000"

Page 4, line 31, replace "49,524,145" with "42,051,057"

Page 5, line 11, replace "17,348,241" with "17,332,391"

Page 5, line 14, replace "250,000" with "50,000"

Page 5, line 15, replace "32,857,254" with "32,641,404"

Page 5, line 18, replace "4,382,167" with "4,376,801"

Page 5, line 22, replace "33,879,025" with "33,873,659"

Page 5, line 23, replace "12,540,444" with "12,534,829"

Page 5, line 24, replace "162,286,824" with "154,816,645"

Page 5, line 25, replace "174,827,268" with "167,351,474"

Page 8, remove lines 9 through 18

Page 8, replace lines 24 through 26 with:



**"SECTION 15. UNOBLIGATED MONEYS IN PARTNERSHIP FOR COMMUNITY EXPANSION FUND - TRANSFER TO THE GENERAL FUND.** Notwithstanding section 6-09.14-02, any unobligated moneys, up to \$2,200,000, in the partnership in assisting community expansion fund as of June 30, 2005, must be returned to the general fund and considered general fund turnback.

**SECTION 16. CONTINGENT OIL AND GAS DIVISION FUNDING - EMERGENCY COMMISSION APPROVAL.** The funds appropriated in the oil and gas division contingency line item in subdivision 1 of section 3 of this Act are from the land and minerals trust fund. If funds are required due to the average drilling rig count exceeding thirty active rigs for each month in any consecutive three-month period, the oil and gas division may spend moneys from this line item upon emergency commission approval. The oil and gas division may hire up to two full-time equivalent positions with the contingency funds."

Page 17, after line 6, insert:

**"SECTION 30. REPEAL.** Section 3 of chapter 491 of the 2003 Session Laws is repealed.

**SECTION 31. STATE MILL AND ELEVATOR ASSOCIATION - REPORT TO BUDGET SECTION.** The manager of the state mill and elevator association shall present an annual report to the budget section of the legislative council. The report must include the current role and mission of the state mill and elevator association and short-term and long-term plans for acquisitions, construction, renovation, equipment upgrading, sales and marketing, personnel, and all financial matters. The report also must include a description of efforts by the state mill and elevator association to inform legislators about the role, mission, and operations of the state mill and elevator association."

Page 17, line 8, replace "15" with "14"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

##### Senate Bill No. 2014 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Industrial Commission				
Total all funds	\$50,516,810	\$50,491,844	\$218,510	\$50,710,354
Less estimated income	43,654,885	43,651,400	224,125	43,875,525
General fund	\$6,861,925	\$6,840,444	(\$5,615)	\$6,834,829
Bank of North Dakota				
Total all funds	\$51,404,797	\$57,599,145	(\$7,473,088)	\$50,126,057
Less estimated income	45,704,797	51,899,145	(7,473,088)	44,426,057
General fund	\$5,700,000	\$5,700,000	\$0	\$5,700,000
Housing Finance Agency				
Total all funds	\$33,895,707	\$33,879,025	(\$5,366)	\$33,873,659
Less estimated income	33,895,707	33,879,025	(5,366)	33,873,659
General fund	\$0	\$0	\$0	\$0
Mill and Elevator				
Total all funds	\$32,657,254	\$32,857,254	(\$215,850)	\$32,641,404
Less estimated income	32,657,254	32,857,254	(215,850)	32,641,404
General fund	\$0	\$0	\$0	\$0
Bill Total				
Total all funds	\$168,474,568	\$174,827,268	(\$7,475,794)	\$167,351,474
Less estimated income	155,912,643	162,286,824	(7,470,179)	154,816,645
General fund	\$12,561,925	\$12,540,444	(\$5,615)	\$12,534,829

##### Senate Bill No. 2014 - Industrial Commission - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$6,071,048	\$6,046,082	(\$6,490)	\$6,039,592
Operating expenses	1,907,850	1,907,850		1,907,850
Capital assets	45,500	45,500		45,500
Lignite research and development	15,200,000	15,200,000		15,200,000
Grants - Bond payments	27,292,412	27,292,412		27,292,412
Oil and Gas Division contingency			225,000	225,000
Total all funds	\$50,516,810	\$50,491,844	\$218,510	\$50,710,354
Less estimated income	43,654,885	43,651,400	224,125	43,875,525

General fund	\$6,861,925	\$6,840,444	(\$5,615)	\$6,834,829
FTE	51.37	51.37	0.00	51.37

**Dept. 405 - Industrial Commission - Detail of House Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS CONTINGENCY FUNDING FOR OIL AND GAS DIVISION 1	TOTAL HOUSE CHANGES
Salaries and wages	(\$6,490)		(\$6,490)
Operating expenses			
Capital assets			
Lignite research and development			
Grants - Bond payments			
Oil and Gas Division contingency		\$225,000	225,000
Total all funds	(\$6,490)	\$225,000	\$218,510
Less estimated income	(875)	225,000	224,125
General fund	(\$5,615)	\$0	(\$5,615)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adds contingency funding of \$225,000 from the lands and minerals trust fund for the Oil and Gas Division to hire up to 2 full-time equivalent positions (1 field inspector and 1 plugging and reclamation supervisor) if the average drilling rig count exceeds 30 active rigs for each month in any consecutive three-month period, upon Emergency Commission approval.

**Senate Bill No. 2014 - Bank of North Dakota - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$18,249,597	\$18,176,480	(\$23,088)	\$18,153,392
Operating expenses	12,108,200	10,925,665		10,925,665
Capital assets	11,272,000	18,722,000	(7,450,000)	11,272,000
Contingencies	1,700,000	1,700,000		1,700,000
PACE fund	5,700,000	5,700,000		5,700,000
Agriculture PACE fund	1,425,000	1,425,000		1,425,000
Beginning farmer revolving loan fund	950,000	950,000		950,000
Total all funds	\$51,404,797	\$57,599,145	(\$7,473,088)	\$50,126,057
Less estimated income	45,704,797	51,899,145	(7,473,088)	44,426,057
General fund	\$5,700,000	\$5,700,000	\$0	\$5,700,000
FTE	178.50	178.50	0.00	178.50

**Dept. 471 - Bank of North Dakota - Detail of House Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REMOVES ADDITIONAL FUNDING FOR NEW BANK BUILDING ADDED BY SENATE 1	TOTAL HOUSE CHANGES
Salaries and wages	(\$23,088)		(\$23,088)
Operating expenses			
Capital assets		(\$7,450,000)	(7,450,000)
Contingencies			
PACE fund			
Agriculture PACE fund			
Beginning farmer revolving loan fund			
Total all funds	(\$23,088)	(\$7,450,000)	(\$7,473,088)
Less estimated income	(23,088)	(7,450,000)	(7,473,088)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes the additional \$7,450,000 of spending authority added by the Senate to increase the size of the new Bank of North Dakota building, resulting in a total of \$11 million available for the new Bank building.

This amendment also removes Section 14 of the engrossed bill added by the Senate providing legislative intent for the Bank of North Dakota to lease space in its new building to other state agencies and adds a section to provide for the Bank of North Dakota to turn back unobligated general fund moneys of up to \$2.2 million in the partnership in assisting community expansion fund to the general fund as of June 30, 2005.

**Senate Bill No. 2014 - Housing Finance Agency - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,398,849	\$4,382,167	(\$5,366)	\$4,376,801
Operating expenses	2,805,578	2,805,578		2,805,578
Grants	26,591,280	26,591,280		26,591,280
HFA contingencies	100,000	100,000		100,000
Total all funds	\$33,895,707	\$33,879,025	(\$5,366)	\$33,873,659
Less estimated income	<u>33,895,707</u>	<u>33,879,025</u>	<u>(5,366)</u>	<u>33,873,659</u>
General fund	\$0	\$0	\$0	\$0
FTE	43.00	43.00	0.00	43.00

**Dept. 473 - Housing Finance Agency - Detail of House Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	TOTAL HOUSE CHANGES
Salaries and wages	(\$5,366)	(\$5,366)
Operating expenses		
Grants		
HFA contingencies		
Total all funds	(\$5,366)	(\$5,366)
Less estimated income	<u>(5,366)</u>	<u>(5,366)</u>
General fund	\$0	\$0
FTE	0.00	0.00

**Senate Bill No. 2014 - Mill and Elevator - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$17,348,241	\$17,348,241	(\$15,850)	\$17,332,391
Operating expenses	14,959,013	14,959,013		14,959,013
Contingencies	300,000	300,000		300,000
Agriculture promotion	50,000	250,000	(200,000)	50,000
Total all funds	\$32,657,254	\$32,857,254	(\$215,850)	\$32,641,404
Less estimated income	<u>32,657,254</u>	<u>32,857,254</u>	<u>(215,850)</u>	<u>32,641,404</u>
General fund	\$0	\$0	\$0	\$0
FTE	127.00	127.00	0.00	127.00

**Dept. 475 - Mill and Elevator - Detail of House Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REDUCES FUNDING FOR AGRICULTURE PROMOTION <sup>1</sup>	TOTAL HOUSE CHANGES
Salaries and wages	(\$15,850)		(\$15,850)
Operating expenses			
Contingencies			
Agriculture promotion		(\$200,000)	(200,000)
Total all funds	(\$15,850)	(\$200,000)	(\$215,850)
Less estimated income	<u>(15,850)</u>	<u>(200,000)</u>	<u>(215,850)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes the \$200,000 addition made by the Senate to the agriculture promotion line item, resulting in a total of \$50,000 for agriculture promotion.

This amendment also removes Section 16 of the engrossed bill added by the Senate for the transfer of \$250,000 from the Mill and Elevator's agriculture promotion line to the Trade Promotion Authority and adds a section to require the state Mill and Elevator Association to present an annual report to the Budget Section and repeals Section 3 of Chapter 491 of the 2003 Session Laws related to expiration of the authorization for the state to purchase oil put options.

**MOTION**

**REP. SKARPHOL MOVED** that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2014.

**REQUEST**

**REP. SKARPHOL REQUESTED** a recorded roll call vote on the motion that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2014, which request was granted.

**ROLL CALL**

The question being on the motion that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2014, the roll was called and there were 19 YEAS, 70 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Berg; Bernstein; Brusegaard; Carlson; Damschen; Delzer; Devlin; Drovdal; Grande; Monson; Owens; Price; Ruby; Skarphol; Vigesaa; Wald; Weisz

**NAYS:** Aarsvold; Amerman; Boe; Boehning; Boucher; Brandenburg; Carlisle; Charging; Clark; DeKrey; Delmore; Dietrich; Dosch; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Gulleon; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Pietsch; Porter; Potter; Rennerfeldt; Sandvig; Schmidt; Sitte; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Conrad; Horter; Kaldor; Kempenich; Pollert

The motion that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2014 failed, therefore, the report of the Majority was adopted.

**SECOND READING OF SENATE BILL**

**SB 2014:** A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to authorize transfers; to amend and reenact sections 38-08-04.2, 38-12-02, 38-12-03, and 38-12.1-04, subsection 1 of section 38-12.1-05, sections 38-15-03, 38-19-03, and 38-19-04, subsection 10 of section 38-15-02, subsection 3 of section 54-17.4-01, and sections 54-17.4-05, 54-17.4-06, and 54-17.4-07 of the North Dakota Century Code, relating to appointment of a director of mineral resources and transferring the state geologist's functions to the director of mineral resources; to repeal section 3 of chapter 491 of the 2003 Session Laws, relating to expiration of the authorization for the state to purchase oil put options; to provide for a report to the legislative council; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 86 YEAS, 4 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gulleon; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Bellew; Carlson; Delzer; Weisz

**ABSENT AND NOT VOTING:** Horter; Kaldor; Kempenich; Pollert

Engrossed SB 2014 passed, the title was agreed to, and the emergency clause was declared carried.

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**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on HB 1004: Reps. Skarphol, Monson, Glassheim.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on HB 1230: Reps. Haas, Hawken, Mueller.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HB 1121 as printed on HJ pages 1419-1420, which motion prevailed on a voice vote.

HB 1121, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1121:** A BILL for an Act to create and enact a new section to chapter 14-09, a new section to chapter 14-18, and chapter 14-20 of the North Dakota Century Code, relating to the termination of parental rights, gestational carriers, and the Uniform Parentage Act; to amend and reenact section 12.1-31-05, subsection 1 of section 14-15-05, subsection 1 of section 14-15-11, sections 14-18-01, 14-18-05, and 14-19-05, and subsection 5 of section 23-02.1-13 of the North Dakota Century Code, relating to gestational carriers and parentage determinations; to repeal sections 14-09-01, 14-09-02, and 14-09-03, chapter 14-17, and sections 14-18-02.1, 14-18-03, 14-18-04, 14-18-06, 14-18-07, 14-19-02, 14-19-03, 14-19-04, 14-19-09, and 14-19-10 of the North Dakota Century Code, relating to the legitimacy of children, the Uniform Parentage Act, the Uniform Status of Children of Assisted Conception Act, and paternity acknowledgment; and to provide for transition.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 89 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gulleson; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Brusegaard; Horter; Kaldor; Kempenich; Pollert

Engrossed HB 1121 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. KEISER MOVED** that the House do concur in the Senate amendments to HB 1321 as printed on HJ pages 1283-1287, which motion prevailed on a voice vote.

HB 1321, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1321:** A BILL for an Act to amend and reenact sections 13-08-01, 13-08-06, and 13-08-12 of the North Dakota Century Code, relating to deferred presentment service transaction procedures and limitations; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 78 YEAS, 11 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Bernstein; Boehning; Brandenburg; Brusegaard; Carlisle; Charging; Clark; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Drovdal; Froelich; Froseth; Galvin; Glassheim; Grande; Gulleson; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper;

Keiser; Kelsch, R.; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Timm; Uglen; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Bellew; Boe; Boucher; Carlson; Conrad; Delzer; Ekstrom; Kelsh, S.; Kerzman; Potter; Thorpe

**ABSENT AND NOT VOTING:** Horter; Kaldor; Kempenich; Nicholas; Pollert

HB 1321 passed, the title was agreed to, and the emergency clause was declared carried.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. KEISER MOVED** that the House do concur in the Senate amendments to HB 1325 as printed on HJ page 1001, which motion prevailed on a voice vote.

HB 1325, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1325:** A BILL for an Act to amend and reenact section 5-01-16 of the North Dakota Century Code, relating to interstate sales of wine.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 88 YEAS, 1 NAY, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gulleon; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Timm; Uglen; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Thorpe

**ABSENT AND NOT VOTING:** Horter; Kaldor; Kempenich; Nicholas; Pollert

Engrossed HB 1325 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. DEVLIN MOVED** that the House do concur in the Senate amendments to HB 1326 as printed on HJ page 1134, which motion prevailed on a voice vote.

HB 1326, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1326:** A BILL for an Act to create and enact a new section to chapter 36-01 of the North Dakota Century Code, relating to the possession of live venomous reptiles; and to provide a penalty.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 80 YEAS, 8 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froseth; Galvin; Glassheim; Grande; Gulleon; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kingsbury; Klemin; Koppelman;

Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Sitte; Skarphol; Svedjan; Thoreson; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Boe; Froelich; Haas; Kerzman; Meyer, S.; Schmidt; Solberg; Thorpe

**ABSENT AND NOT VOTING:** Delzer; Horter; Kaldor; Kempenich; Nicholas; Pollert

HB 1326 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. BELTER MOVED** that the House do concur in the Senate amendments to HB 1333 as printed on HJ page 1216, which motion prevailed.

HB 1333, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1333:** A BILL for an Act to amend and reenact section 57-05-11 of the North Dakota Century Code, relating to confidentiality of information relating to assessment of railroad property.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 89 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gullerson; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Horter; Kaldor; Kempenich; Nicholas; Pollert

HB 1333 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. DEVLIN MOVED** that the House do concur in the Senate amendments to HB 1337 as printed on HJ page 1391, which motion prevailed on a voice vote.

HB 1337, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1337:** A BILL for an Act to amend and reenact subsection 2 of section 28-32-10 of the North Dakota Century Code, relating to notice of administrative agency rulemaking to members of the legislative assembly who were sponsors of legislation to be implemented by the rules; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 85 YEAS, 4 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gullerson; Hanson; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch;

Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Delmore; Haas; Hawken; Johnson, N.

**ABSENT AND NOT VOTING:** Horter; Kaldor; Kempenich; Nicholas; Pollert

HB 1337 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. NELSON MOVED** that the House do concur in the Senate amendments to HB 1344 as printed on HJ page 1189, which motion prevailed on a voice vote.

HB 1344, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1344:** A BILL for an Act to amend and reenact section 38-18.1-03 of the North Dakota Century Code, relating to termination of mineral interests.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 81 YEAS, 8 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Gulleson; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Norland; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Bellew; Brusegaard; Delzer; Devlin; Kasper; Nottestad; Skarphol; Wald

**ABSENT AND NOT VOTING:** Horter; Kaldor; Kempenich; Nicholas; Pollert

Engrossed HB 1344 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HB 1346 as printed on HJ page 941, which motion failed on a verification vote.

#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. BERG MOVED** that the House do not concur in the Senate amendments to HB 1346 as printed on HJ page 941 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

#### APPOINTMENT OF CONFERENCE COMMITTEE

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1346: Reps. Klemin, DeKrey, Delmore.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)

**MR. PRESIDENT:** The House has passed, the emergency clause carried, unchanged: SB 2412.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)

**MR. PRESIDENT:** The House has passed and your favorable consideration is requested on: HCR 3059.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)

**MR. PRESIDENT:** The House has amended and subsequently failed to pass: SB 2145.



**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2003, SB 2014.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1346 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1346:** Reps. Klemin; DeKrey; Delmore

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1004 and HB 1230 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1004:** Reps. Skarphol; Monson; Glassheim

**HB 1230:** Reps. Haas; Hawken; Mueller

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1121, HB 1321, HB 1325, HB 1326, HB 1333, HB 1337, and HB 1344.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1332 and HB 1397 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1332:** Reps. Kasper; Vigesaa; Ekstrom

**HB 1397:** Reps. Brusegaard; Rennerfeldt; Gulleson

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1024.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1022, HB 1163, HB 1204, HB 1206, HB 1230, HB 1235, HB 1238, HB 1239, HB 1266, HB 1272, HB 1273, HB 1276, HB 1311, HB 1312, and HB 1313.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**SB 2111:** Reps. Dosch; Nottestad; Amerman

**SB 2174:** Reps. Dosch; Dietrich; Thorpe

**SB 2179:** Reps. Vigesaa; Clark; Thorpe

**SB 2187:** Reps. N. Johnson; Ruby; Thorpe

**SB 2190:** Reps. Nottestad; Clark; Amerman

**SB 2302:** Reps. Maragos; Bernstein; Delmore

**SB 2384:** Reps. Klemin; Koppelman; Onstad

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1003, HB 1013, HB 1154.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003**

Page 1, line 2, after the first semicolon insert "to provide an appropriation for defraying the expenses of the racing commission;"

Page 1, line 3, after the second semicolon insert "to provide for a salary equity review and recommendation;"

Page 2, line 1, replace "860,869" with "926,395"

Page 2, line 2, replace "283,953" with "488,324"

Page 2, line 3, replace "(63,000)" with "(44,200)"

Page 2, remove line 5

Page 2, line 7, replace "1,501,643" with "1,422,945"

Page 2, line 8, replace "(78,717)" with "(645,621)"

Page 2, line 9, replace "1,580,360" with "2,068,566"

Page 2, line 15, replace "19,322,170" with "19,387,696"

Page 2, line 16, replace "8,279,424" with "8,483,795"

Page 2, line 17, replace "1,767,250" with "1,786,050"

Page 2, remove line 21

Page 2, line 24, replace "35,985,334" with "35,906,636"

Page 2, line 25, replace "17,350,757" with "16,783,853"

Page 2, line 26, replace "18,634,577" with "19,122,783"

Page 2, after line 26, insert:

**"SECTION 4. APPROPRIATION - RACING COMMISSION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the racing commission for the purpose of defraying the expenses of the racing commission, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

Racing commission	<u>\$367,145</u>
Total all funds	\$367,145
Less estimated income	<u>249,666</u>
Total general fund appropriation	\$117,479"

Page 3, line 18, replace "3" with "4", replace the first "\$73,945" with "\$73,889", and replace the second "\$73,945" with "\$73,889"

Page 3, line 19, replace "\$73,946" with "\$73,888"

Page 4, line 8, remove "- **COLLABORATION**"

Page 4, line 9, remove "**WITH UNITED STATES DEPARTMENT OF JUSTICE**" and replace "collaborate" with "consider, in consultation"

Page 4, line 10, replace "to determine whether" with ", the feasibility of naming"

Page 4, line 11, remove "should be named"

Page 4, after line 13, insert:

**"SECTION 14. SALARY REVIEW AND RECOMMENDATION.** During the 2005-06 interim, the director of the office of management and budget shall conduct an equity review of the salaries of all attorneys and paralegals employed as full-time employees with all branches of government within the state of North Dakota, including attorneys and paralegals employed by the state board of higher education and workforce safety and insurance. The director shall provide to the governor for inclusion in the 2007-09 biennial executive budget recommendation the funding necessary to adjust the salaries of attorneys and paralegals in a manner that makes attorney and paralegal salaries comparable and equitable throughout state government. In determining comparable positions based upon years of experience and importance of position, the director shall consult with the attorney general."

Page 4, line 20, replace "10" with "11"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

## House Bill No. 1003 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Attorney General				
Total all funds	\$36,058,177	\$35,985,334	(\$78,698)	\$35,906,636
Less estimated income	17,788,541	17,350,757	(566,904)	16,783,853
General fund	\$18,269,636	\$18,634,577	\$488,206	\$19,122,783
Racing Commission				
Total all funds	\$0	\$0	\$367,145	\$367,145
Less estimated income			249,666	249,666
General fund	\$0	\$0	\$117,479	\$117,479
Bill Total				
Total all funds	\$36,058,177	\$35,985,334	\$288,447	\$36,273,781
Less estimated income	17,788,541	17,350,757	(317,238)	17,033,519
General fund	\$18,269,636	\$18,634,577	\$605,685	\$19,240,262

## House Bill No. 1003 - Attorney General - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$19,400,721	\$19,322,170	\$65,526	\$19,387,696
Operating expenses	8,254,104	8,279,424	204,371	8,483,795
Capital assets	1,767,250	1,767,250	18,800	1,786,050
Grants	5,944,056	5,944,056		5,944,056
Litigation fees	50,000	50,000		50,000
State school finance lawsuit	240,000	240,000		240,000
Racing Commission	387,007	367,395	(367,395)	
Arrest and return of fugitives	10,000	10,000		10,000
Gaming Commission	5,039	5,039		5,039
Total all funds	\$36,058,177	\$35,985,334	(\$78,698)	\$35,906,636
Less estimated income	17,788,541	17,350,757	(566,904)	16,783,853
General fund	\$18,269,636	\$18,634,577	\$488,206	\$19,122,783
FTE	177.00	175.00	(0.70)	174.30

## Dept. 125 - Attorney General - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	CHANGES FUNDING FOR ATTORNEY SALARY EQUITY <sup>1</sup>	CHANGES FUNDING FOR CRIME LAB TESTING SUPPLIES <sup>2</sup>	ADDS FUNDING FOR CRIME LAB FORENSIC SUPPLIES <sup>3</sup>	FUNDING FOR CRIME LAB SERVICE AGREEMENTS <sup>4</sup>	ADDS FUNDING FOR CONNECTND FEES <sup>5</sup>
Salaries and wages	(\$21,465)					
Operating expenses				\$70,853	\$74,552	\$31,078
Capital assets						
Grants						
Litigation fees						
State school finance lawsuit						
Racing Commission	(250)					
Arrest and return of fugitives						
Gaming Commission						
Total all funds	(\$21,715)	\$0	\$0	\$70,853	\$74,552	\$31,078
Less estimated income	(5,400)	(241,024)	(100,000)			31,078
General fund	(\$16,315)	\$241,024	\$100,000	\$70,853	\$74,552	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REPLACES FEDERAL FUNDS REDUCTION <sup>6</sup>	ADDS FUNDING FOR DNA TESTING FOR FELONS <sup>7</sup>	REMOVES RACING COMMISSION FUNDING <sup>8</sup>	TOTAL SENATE CHANGES
Salaries and wages		\$86,991		\$86,991
Operating expenses		27,888		27,888
Capital assets		18,800		18,800
Grants				
Litigation fees				
State school finance lawsuit				
Racing Commission			(\$367,145)	(\$367,145)
Arrest and return of fugitives				
Gaming Commission				
Total all funds	\$0	\$133,679	(\$367,145)	(\$233,466)
Less estimated income	(29,892)		(221,666)	(251,558)
General fund	\$29,892	\$133,679	(\$145,479)	\$18,101
FTE	0.00	1.30	(2.00)	(0.70)

<sup>1</sup> The funding source for continuing the cost of salary equity increases for attorneys authorized by the 2003 Legislative Assembly from special funds for the 2003-05 biennium is changed to the general fund for the 2005-07 biennium.

<sup>2</sup> The anticipated loss of federal funds for crime lab alcohol testing supplies is replaced with funding from the general fund.

- <sup>3</sup> Funding is added for additional forensic supplies for the crime lab.
- <sup>4</sup> Funding is added for service agreements on crime lab equipment.
- <sup>5</sup> Funding is added from special funds for 2005-07 ConnectND fees.
- <sup>6</sup> Additional general fund support is added to replace a portion of the anticipated reduction in federal funds available for drug enforcement activities of the Bureau of Criminal Investigation and the crime lab.
- <sup>7</sup> Funding of \$133,679 from the general fund, including 1 FTE administrative assistant and a .3 FTE forensic scientist, is added for costs associated with collecting and processing DNA samples from all convicted felons in accordance with provisions of House Bill No. 1235.
- <sup>8</sup> Funding for the Racing Commission is removed and provided in a separate appropriation section in accordance with provisions of Senate Bill No. 2340 which removes the Racing Commission from the Attorney General's office.

The section added by the House requiring the Attorney General to collaborate with the federal prosecutors to determine whether North Dakota should be named as a plaintiff in Medicare and Medicaid fraud cases being considered by the federal government is changed to require the Attorney General to consider, in consultation with federal prosecutors, the feasibility of naming North Dakota as a plaintiff in these cases.

A section is added requiring the Office of Management and Budget to conduct a salary equity review of attorneys and paralegals employed by state government and include a recommendation in the 2007-09 executive budget to provide for comparable and equitable salaries for these employees.

#### House Bill No. 1003 - Racing Commission - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Racing Commission	_____	_____	<u>\$367,145</u>	<u>\$367,145</u>
Total all funds	\$0	\$0	\$367,145	\$367,145
Less estimated income	_____	_____	<u>249,666</u>	<u>249,666</u>
General fund	\$0	\$0	\$117,479	\$117,479
FTE	0.00	0.00	2.00	2.00

#### Dept. 130 - Racing Commission - Detail of Senate Changes

	ADDS SEPARATE APPROPRIATION FOR RACING <sup>1</sup>	CHANGES FUNDING SOURCE <sup>2</sup>	TOTAL SENATE CHANGES
Racing Commission	<u>\$367,145</u>	_____	<u>\$367,145</u>
Total all funds	\$367,145	\$0	\$367,145
Less estimated income	<u>221,666</u>	<u>28,000</u>	<u>249,666</u>
General fund	\$145,479	(\$28,000)	\$117,479
FTE	2.00	0.00	2.00

<sup>1</sup> A section is added providing an appropriation for the Racing Commission in accordance with provisions of Senate Bill No. 2340 which removes the Racing Commission from the Attorney General's office.

<sup>2</sup> A funding source change from the general fund to special funds is made to allow expenditure of license fee collections that will be deposited in the Racing Commission operating fund rather than the general fund in accordance with provisions of Senate Bill No. 2344.

#### SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1013

Page 1, line 4, replace the first "and" with "to provide for a legislative council study;" and replace "sections" with "section"

Page 1, line 5, remove "15.1-02-01 and" and remove "the qualifications and"

Page 1, line 6, after "instruction" insert "; and to declare an emergency"

Page 3, line 8, replace "742,596" with "696,239"

Page 3, line 9, replace "2,109,485" with "1,834,485"

Page 3, line 11, replace "21,473,769" with "63,227,405"

Page 3, line 12, replace "2,104,629" with "(19,375,371)"

Page 3, line 14, replace "(941,880)" with "(16,215,516)"

Page 3, line 15, replace "25,403,839" with "25,693,839"

Page 3, line 19, replace "52,968,743" with "57,937,386"

Page 3, line 20, replace "29,792,978" with "29,784,889"

Page 3, line 21, replace "23,175,765" with "28,152,497"

Page 3, line 24, replace "138,550" with "135,555"

Page 3, line 27, replace "494,368" with "491,373"

Page 3, line 28, replace "27,568" with "27,194"

Page 3, line 29, replace "466,800" with "464,179"

Page 4, line 1, replace "84,501" with "77,887"

Page 4, line 4, replace "606,378" with "599,764"

Page 4, line 5, replace "330,918" with "330,793"

Page 4, line 6, replace "275,460" with "268,971"

Page 4, line 9, replace "128,781" with "145,411"

Page 4, line 12, replace "86,641" with "103,271"

Page 4, line 13, replace "(323,317)" with "(323,935)"

Page 4, line 14, replace "409,958" with "427,206"

Page 4, line 15, replace "24,327,983" with "29,312,853"

Page 4, line 16, replace "29,828,147" with "29,818,941"

Page 4, line 17, replace "54,156,130" with "59,131,794"

Page 4, line 27, replace "10,020,282" with "9,973,925"

Page 4, line 28, replace "15,167,308" with "14,892,308"

Page 4, line 29, replace "510,853,759" with "552,607,395"

Page 4, line 30, replace "71,600,000" with "50,120,000"

Page 5, line 2, replace "50,912,120" with "35,638,484"

Page 5, line 3, replace "207,659,083" with "207,949,083"

Page 5, line 5, replace "923,752,552" with "928,721,195"

Page 5, line 6, replace "295,851,781" with "295,843,692"

Page 5, line 7, replace "627,900,771" with "632,877,503"

Page 5, line 10, replace "2,217,121" with "2,214,126"

Page 5, line 13, replace "5,151,393" with "5,148,398"

Page 5, line 14, replace "1,657,547" with "1,657,173"

Page 5, line 15, replace "3,493,846" with "3,491,225"

Page 5, line 18, replace "4,894,309" with "4,887,695"

Page 5, line 21, replace "6,551,069" with "6,544,455"

Page 5, line 22, replace "1,202,367" with "1,202,242"

Page 5, line 23, replace "5,348,702" with "5,342,213"

Page 5, line 26, replace "2,669,073" with "2,685,703"

Page 5, line 29, replace "3,343,849" with "3,360,479"

Page 5, line 30, replace "844,066" with "843,448"

Page 5, line 31, replace "2,499,783" with "2,517,031"

Page 6, line 4, after "workbook" insert "including civic education"

Page 6, line 6, replace "639,391,902" with "644,376,772"

Page 6, line 7, replace "299,555,761" with "299,546,555"

Page 6, line 8, replace "938,947,663" with "943,923,327"

Page 6, after line 8, insert:

**"SECTION 5. APPROPRIATION.** There is appropriated from special funds derived from federal funds and other income the sum of \$15,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing grants for the period beginning with the effective date of this Act and ending June 30, 2005."

Page 8, replace lines 3 through 10 with:

**"SECTION 14. LEGISLATIVE COUNCIL STUDY - SCHOOL FOR THE DEAF AND VISION SERVICES - SCHOOL FOR THE BLIND.** The legislative council shall consider studying, during the 2005-06 interim, the potential for cooperative field service delivery between vision services - school for the blind and the school for the deaf. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly."

Page 8, after line 17, insert:

**"SECTION 16. EMERGENCY.** Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1013 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Department of Public Instruction				
Total all funds	\$930,021,612	\$923,752,552	\$4,968,643	\$928,721,195
Less estimated income	295,876,672	295,851,781	(8,089)	295,843,692
General fund	\$634,144,940	\$627,900,771	\$4,976,732	\$632,877,503
Division of Independent Study				
Total all funds	\$0	\$148,800	\$0	\$148,800
Less estimated income				
General fund	\$0	\$148,800	\$0	\$148,800
State Library				
Total all funds	\$5,160,201	\$5,151,393	(\$2,995)	\$5,148,398
Less estimated income	1,658,575	1,657,547	(374)	1,657,173
General fund	\$3,501,626	\$3,493,846	(\$2,621)	\$3,491,225
School for the Deaf				
Total all funds	\$6,815,119	\$6,551,069	(\$6,614)	\$6,544,455
Less estimated income	1,326,566	1,202,367	(125)	1,202,242
General fund	\$5,488,553	\$5,348,702	(\$6,489)	\$5,342,213
North Dakota Vision Services - School for the Blind				
Total all funds	\$3,349,030	\$3,343,849	\$16,630	\$3,360,479
Less estimated income	845,535	844,066	(618)	843,448
General fund	\$2,503,495	\$2,499,783	\$17,248	\$2,517,031
Bill Total				
Total all funds	\$945,345,962	\$938,947,663	\$4,975,664	\$943,923,327
Less estimated income	299,707,348	299,555,761	(9,206)	299,546,555

General fund \$645,638,614 \$639,391,902 \$4,984,870 \$644,376,772

**House Bill No. 1013 - Department of Public Instruction - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$10,057,842	\$10,020,282	(\$46,357)	\$9,973,925
Operating expenses	14,892,308	15,167,308	(275,000)	14,892,308
Grants - State school aid	512,153,759	510,853,759	41,753,636	552,607,395
Grants - Tuition apportionment	71,600,000	71,600,000	(21,480,000)	50,120,000
Grants - Special education	52,500,000	52,500,000		52,500,000
Grants - Revenue supplement	7,500,000	5,000,000		5,000,000
Grants - Teacher compensation	50,912,120	50,912,120	(15,273,636)	35,638,484
Grants - Other grants	207,865,583	207,659,083	290,000	207,949,083
Reorganization bonuses	500,000			
JPA incentives	2,000,000			
National board certification	40,000	40,000		40,000
<b>Total all funds</b>	<b>\$930,021,612</b>	<b>\$923,752,552</b>	<b>\$4,968,643</b>	<b>\$928,721,195</b>
Less estimated income	<u>295,876,672</u>	<u>295,851,781</u>	<u>(8,089)</u>	<u>295,843,692</u>
General fund	\$634,144,940	\$627,900,771	\$4,976,732	\$632,877,503
FTE	92.75	92.75	0.00	92.75

**Dept. 201 - Department of Public Instruction - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REDUCES FUNDING FOR SALARIES AND WAGES	REDUCES FUNDING FOR OPERATING EXPENSES 1	REALLOCATES AND INCREASES FUNDING FOR STATE SCHOOL AID 2	RESTORES FUNDING FOR THE NORTH DAKOTA LEAD CENTER 3	RESTORES THE INCREASE IN FUNDING FOR THE NORTH DAKOTA MUSEUM OF ART 4
Salaries and wages	(\$11,357)	(\$35,000)				
Operating expenses			(\$275,000)			
Grants - State school aid				\$41,753,636		
Grants - Tuition apportionment				(21,480,000)		
Grants - Special education						
Grants - Revenue supplement						
Grants - Teacher compensation				(15,273,636)		
Grants - Other grants					\$20,000	\$125,000
Reorganization bonuses						
JPA incentives						
National board certification						
<b>Total all funds</b>	<b>(\$11,357)</b>	<b>(\$35,000)</b>	<b>(\$275,000)</b>	<b>\$5,000,000</b>	<b>\$20,000</b>	<b>\$125,000</b>
Less estimated income	<u>(8,089)</u>					
General fund	(\$3,268)	(\$35,000)	(\$275,000)	\$5,000,000	\$20,000	\$125,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	RESTORES FUNDING FOR THE NORTH DAKOTA GOVERNOR'S SCHOOL 5	RESTORES THE INCREASE IN FUNDING FOR THE NATIONAL WRITING PROJECTS 6	INCREASES FUNDING FOR ADULT EDUCATION 7	TOTAL SENATE CHANGES		
Salaries and wages				(\$46,357)		
Operating expenses				(275,000)		
Grants - State school aid				41,753,636		
Grants - Tuition apportionment				(21,480,000)		
Grants - Special education						
Grants - Revenue supplement						
Grants - Teacher compensation				(15,273,636)		
Grants - Other grants	\$20,000	\$40,000	\$85,000	290,000		
Reorganization bonuses						
JPA incentives						
National board certification						
<b>Total all funds</b>	<b>\$20,000</b>	<b>\$40,000</b>	<b>\$85,000</b>	<b>\$4,968,643</b>		
Less estimated income				<u>(8,089)</u>		
General fund	\$20,000	\$40,000	\$85,000	\$4,976,732		
FTE	0.00	0.00	0.00	0.00		

1 This amendment reduces funding for operating expenses by \$275,000 from the general fund.

2 This amendment reallocates funding from tuition apportionment payments (\$21,480,000) and teacher compensation payments (\$15,273,636) to state school aid payments and increases funding from the general fund for state school aid payments. The following is a summary of the changes:

	2005-07 EXECUTIVE BUDGET	2005-07 HOUSE VERSION	2005-07 SENATE VERSION
State school aid			
Per student payments	\$476,703,759	\$493,453,759	\$518,457,395
Limited English proficient student payments	650,000	650,000	650,000
Transportation aid payments	34,800,000	16,750,000	33,500,000
Total state school aid	\$512,153,759	\$510,853,759	\$552,607,395
Tuition apportionment	\$71,600,000	\$71,600,000	\$50,120,000
Teacher compensation payments	50,912,120	50,912,120	35,638,484
Total	\$634,665,879	\$633,365,879	\$638,365,879

3 This amendment restores funding of \$20,000 from the general fund for the North Dakota LEAD Center. The House removed the increase in funding of \$21,500 from the general fund provided in the executive budget recommendation for the center.

4 This amendment restores funding of \$125,000 from the general fund for the North Dakota Museum of Art educational outreach initiative. The House removed the increase in funding provided in the executive budget recommendation for the initiative.

5 This amendment restores funding of \$20,000 from the general fund for the North Dakota Governor's School. The House decreased funding for the Governor's School by \$20,000, from \$270,000 to \$250,000.

6 This amendment restores the funding of \$40,000 from the general fund for the national writing projects. The House removed the increase in funding provided in the executive budget recommendation.

7 This amendment increases funding for adult education by \$85,000, from \$920,000 to \$1,005,000.

This amendment also:

- Adds a section appropriating \$15 million of special funds to the department for providing grants to school districts during the 2003-05 biennium.
- Removes Section 13 of the engrossed bill amending North Dakota Century Code Section 15.1-02-01 relating to the qualification of the Superintendent of Public Instruction.

#### House Bill No. 1013 - State Library - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,225,929	\$2,217,121	(\$2,995)	\$2,214,126
Operating expenses	1,381,772	1,381,772		1,381,772
Grants	<u>1,552,500</u>	<u>1,552,500</u>		<u>1,552,500</u>
Total all funds	\$5,160,201	\$5,151,393	(\$2,995)	\$5,148,398
Less estimated income	<u>1,658,575</u>	<u>1,657,547</u>	(374)	<u>1,657,173</u>
General fund	\$3,501,626	\$3,493,846	(\$2,621)	\$3,491,225
FTE	28.75	28.75	0.00	28.75

#### Dept. 250 - State Library - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	TOTAL SENATE CHANGES
Salaries and wages	(\$2,995)	(\$2,995)
Operating expenses		
Grants		
Total all funds	(\$2,995)	(\$2,995)
Less estimated income	(374)	(374)
General fund	(\$2,621)	(\$2,621)
FTE	0.00	0.00

#### House Bill No. 1013 - School for the Deaf - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,106,474	\$4,894,309	(\$6,614)	\$4,887,695
Operating expenses	1,429,150	1,377,265		1,377,265
Capital assets	<u>279,495</u>	<u>279,495</u>		<u>279,495</u>
Total all funds	\$6,815,119	\$6,551,069	(\$6,614)	\$6,544,455
Less estimated income	<u>1,326,566</u>	<u>1,202,367</u>	(125)	<u>1,202,242</u>



General fund	\$5,488,553	\$5,348,702	(\$6,489)	\$5,342,213
FTE	49.94	47.94	0.00	47.94

**Dept. 252 - School for the Deaf - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	TOTAL SENATE CHANGES
Salaries and wages	(\$6,614)	(\$6,614)
Operating expenses		
Capital assets		
Total all funds	(\$6,614)	(\$6,614)
Less estimated income	(125)	(125)
General fund	(\$6,489)	(\$6,489)
FTE	0.00	0.00

**House Bill No. 1013 - North Dakota Vision Services - School for the Blind - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,674,254	\$2,669,073	\$16,630	\$2,685,703
Operating expenses	607,306	607,306		607,306
Capital assets	67,470	67,470		67,470
Total all funds	\$3,349,030	\$3,343,849	\$16,630	\$3,360,479
Less estimated income	845,535	844,066	(618)	843,448
General fund	\$2,503,495	\$2,499,783	\$17,248	\$2,517,031
FTE	26.95	26.95	0.00	26.95

**Dept. 253 - North Dakota Vision Services - School for the Blind - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	INCREASES FUNDING FOR TEMPORARY SALARIES	TOTAL SENATE CHANGES
Salaries and wages	(\$3,370)	\$20,000	\$16,630
Operating expenses			
Capital assets			
Total all funds	(\$3,370)	\$20,000	\$16,630
Less estimated income	(618)		(618)
General fund	(\$2,752)	\$20,000	\$17,248
FTE	0.00	0.00	0.00

**House Bill No. 1013 - Other Changes - Senate Action**

This amendment also adds a section providing for a Legislative Council study of the potential for cooperative field service delivery between North Dakota Vision Services - School for the Blind and the School for the Deaf.

**SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1154**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-07 and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to educational association board compensation and teacher compensation levels; to amend and reenact sections 15.1-07-28, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-37, 15.1-27-40, 15.1-28-03, 15.1-29-02, and 15.1-31-03 of the North Dakota Century Code and section 37 of chapter 667 of the 2003 Session Laws, relating to per student payments, supplemental payments, tuition apportionment, teacher compensation, and contingent payments; to repeal sections 15.1-09-42, 15.1-12-11.1, 15.1-12-11.2, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational meetings, reorganization bonuses, and teacher compensation; to provide for the distribution of transportation grants; to provide for contingent payments; to provide an appropriation; to provide an effective date; and to declare an emergency.

## BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. AMENDMENT.** Section 15.1-07-28 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-28. Educational association - Joint powers agreement - Approval Review by superintendent of public instruction - Criteria.** ~~If~~ Before school districts participating in an educational association governed by a joint powers agreements under chapter 54-40.3 wish to ~~an~~ agreement may receive reimbursement for expenses ~~any~~ moneys, as provided in section 15.1-27-40, the school districts must request that the superintendent of public instruction ~~approve~~ their shall review the joint powers agreement. ~~In order for the superintendent of public instruction to approve a joint powers agreement, the superintendent shall determine and annually~~ and verify that:

1. a. The participating school districts are contiguous; and
  - b. ~~(1)~~ The participating in the agreement have:
    - a. A combined total land mass of the participating school districts ~~exceeds four~~ at least five thousand eight hundred square miles [~~4035995~~ 1502193 hectares];
    - (2) The
      - b. A combined total land mass of the participating school districts ~~exceeds two~~ at least four thousand five hundred square miles [~~647497~~ 1165494 hectares] and the participating school districts number at least ~~six~~ twelve; or
      - (3) The
        - c. A combined total land mass of the participating school districts ~~exceeds two~~ at least four thousand five hundred square miles [~~1035995~~ 1502193 hectares] and the total number of have at least three thousand students in average daily membership in the participating school districts ~~exceeds two thousand five hundred~~.
2. ~~The joint powers agreement provides that a school district contiguous to any school district already participating in the joint powers agreement may become a participant in the agreement at any time.~~
3. ~~The joint powers agreement requires that the participating school districts agree to maintain a joint operating fund, agree to share administrative functions, or agree to implement various common requirements; provided that:~~
  - a. ~~If the participating school districts agree to establish a joint operating fund, the joint powers agreement must require that during the first school year following approval, the participating school districts shall establish a joint operating fund equal to at least two percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; during the second school year following approval, the participating school districts shall establish a joint operating fund equal to at least four percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; and during the fifth school year following approval, the participating school districts shall establish a joint operating fund equal to at least six percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval;~~
  - b. ~~If the participating school districts agree to share administrative functions, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall share in the administration of at least three services; during the third school year following approval, all of the participating districts shall share in the administration of at least five services; and during the fifth school year following approval, all of the participating districts shall share in the administration of at least seven services; and that the list~~

~~from which the participating districts must select the services to be shared consists of:~~

- ~~(1) Federal title program management;~~
- ~~(2) Staff development;~~
- ~~(3) Special education delivery;~~
- ~~(4) Curriculum development or delivery;~~
- ~~(5) Career and technical education delivery;~~
- ~~(6) Student instructional support;~~
- ~~(7) Media and technology;~~
- ~~(8) Business management;~~
- ~~(9) Distance learning;~~
- ~~(10) Student counseling;~~
- ~~(11) Food and nutrition;~~
- ~~(12) Facility safety and health;~~
- ~~(13) School accreditation and improvement; and~~
- ~~(14) Transportation; and~~

~~e. If the participating school districts agree to implement various common requirements, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall implement at least three requirements; during the third school year following approval, all of the participating districts shall implement at least six requirements; and during the fifth school year following approval, all of the participating districts shall implement at least eight requirements; and that the list from which the participating districts must select the requirements to be implemented consists of:~~

- ~~(1) A common school calendar;~~
- ~~(2) A common class schedule;~~
- ~~(3) A common intranet communication system;~~
- ~~(4) A common class registration process for grades seven through twelve;~~
- ~~(5) A common curriculum for each grade level from kindergarten through six;~~
- ~~(6) A common student data system;~~
- ~~(7) A common school improvement and staff development process;~~
- ~~(8) Common services, as set forth in a five-year plan;~~
- ~~(9) A school facilities plan; and~~
- ~~(10) Joint funding of dual credit and advance placement courses; or~~

~~d. A combined total land mass of at least one thousand five hundred square miles [388498 hectares] and have at least seven thousand five hundred students in average daily membership.~~

2. The school districts participating in the agreement are contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide

sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or educational associations governed by joint powers agreements and without negatively impacting the ability of other school districts or educational associations governed by joint powers agreements from providing sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.

3. The joint powers agreement requires that the participating school districts maintain a joint operating fund and share various administrative functions and student services in accordance with subsection 4.
4.
  - a. During the first two school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least two administrative functions and two student services, selected by the district.
  - b. During the third and fourth school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least three administrative functions and three student services, selected by the district.
  - c. During the fifth school year in which an educational association governed by a joint powers agreement is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.
  - d. For purposes of this subsection:
    - (1) "Administrative functions" means:
      - (a) Business management;
      - (b) Career and technical education services management;
      - (c) Curriculum mapping or development;
      - (d) Data analysis;
      - (e) Federal program support;
      - (f) Federal title program management;
      - (g) Grant writing;
      - (h) School improvement;
      - (i) School safety and environment management;
      - (j) Special education services management;
      - (k) Staff development;
      - (l) Staff retention and recruitment;
      - (m) Staff sharing;
      - (n) Technology support; and
      - (o) Any other functions approved by the superintendent of public instruction.
    - (2) Student services means:
      - (a) Advanced placement classes;

- (b) Alternative high schools or alternative high school programs;
  - (c) Career and technical education classes;
  - (d) Counseling services;
  - (e) Common elementary curricula;
  - (f) Distance learning classes;
  - (g) Dual credit classes;
  - (h) Foreign language classes;
  - (i) Library and media services;
  - (j) Summer programs;
  - (k) Supplemental instruction programs; and
  - (l) Any other services approved by the superintendent of public instruction.
- e. For purposes of this subsection, if an educational association governed by a joint powers agreement became operational before July 1, 2005, the 2005-06 school year must be considered the association's first year of operation.
5. The joint powers agreement provides:
- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
  - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
  - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
4. 6. The joint powers agreement provides for the employment and compensation of a ~~chief administrator and other~~ any staff necessary to carry out the provisions of the agreement and the requirements of this ~~section and section 15.1-27-37~~ Act.
7. The joint powers agreement provides for a governing board that consists only of individuals who serve on the boards of the participating school districts or designees of the respective school board members, provided however that a joint powers agreement may allow for the inclusion of ex officio nonvoting members on the educational association's board.
8. The joint powers agreement provides that the board of the educational association shall meet at least quarterly.
9. The joint powers agreement does not permit the educational association to compensate members of the educational association board for attending meetings of the board and that it does not permit the educational association to reimburse members of the board for any expenses incurred in attending meetings of the educational association board.

**SECTION 2.** A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

Compensation - Reimbursement - Extraordinary service. The board of an educational association established under section 15.1-07-28 may provide compensation and reimbursement to any board member who, at the direction of the board, performs extraordinary service on behalf of the board. For purposes of this

section, "extraordinary service" means duties beyond those reasonably expected of members of the board and includes travel to and attendance at national meetings or conventions.

**SECTION 3. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment.** The per student payment to which each school district is entitled for the first year of the biennium is two thousand ~~five~~ nine hundred ~~nine~~ dollars. The per student payment to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~six hundred twenty three~~ fifteen dollars. The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.

**SECTION 4. AMENDMENT.** Section 15.1-27-05 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-05. (Effective through June 30, 2008) School district equalization factor.**

1. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition ~~apportionment~~ fund payments, per student payments, special education aid, transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:
  - a. The product of thirty-six mills times the taxable valuation of property in the district;
  - b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars; and
  - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. Beginning July 1, 2006, and each year thereafter, the number of mills used by the superintendent of public instruction in determining the product required by subdivision a of subsection 1 must be increased by ~~two~~ three over the number of mills used in determining the product required by that subdivision the previous year.

**(Effective after June 30, 2008) School district equalization factor.**

1. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition ~~apportionment~~ fund payments, per student payments, special education aid, transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:
  - a. The product of the number of mills prescribed in subsection 2 times the taxable valuation of property in the district;
  - b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars; and
  - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. The number of mills used by the superintendent of public instruction in determining the product required by subdivision a of subsection 1 must be increased by ~~two~~ three over the number of mills used in determining the product required by that subdivision the previous year.

**SECTION 5. AMENDMENT.** Section 15.1-27-06 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-06. Per student payments - Weighting factors - High school students.** The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating a high school and to each school district contracting to educate high school students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1. Each district having under ~~seventy-five~~ one hundred twenty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor ~~1.625 adjusted by eighty five percent of the difference between 1.625 and the factor~~ representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~
2. Each district having at least ~~seventy-five~~ one hundred twenty but fewer than ~~one three hundred fifty~~ students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor ~~1.335 adjusted by eighty five percent of the difference between 1.335 and the factor~~ representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~
3. Each district having at least ~~one three hundred fifty~~ but fewer than ~~five hundred fifty~~ students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor ~~1.24 adjusted by eighty five percent of the difference between 1.24 and the factor~~ representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~
4. ~~Each district having at least five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.14 adjusted by eighty five percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~
5. 4. Each district having an approved alternative high school education program is entitled to receive the amount of money that results from multiplying the factor in:
  - a. Subsection 1 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if fewer than ~~seventy-five~~ one hundred twenty students in average daily membership are enrolled in the alternative education program.

- b. Subsection 2 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least ~~seventy five~~ one hundred twenty but fewer than ~~one~~ three hundred fifty students in average daily membership are enrolled in the alternative education program.
  - c. Subsection 3 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least ~~one~~ three hundred fifty but fewer than ~~five hundred fifty~~ students in average daily membership are enrolled in the alternative education program.
  - d. ~~Subsection 4 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least five hundred fifty students in average daily membership are enrolled in the alternative education program.~~
6. 5. In order to be eligible for enumeration under this section, a student:
- a. Must have completed the work of the eighth grade;
  - b. Must not have completed the work of the twelfth grade; and
  - c. Must be a resident of this state or a nonresident attending a school in this state under the auspices of a foreign student exchange program.
6. In calculating payments under this section and subsections 1 through 4 of section 15.1-27-07, the superintendent of public instruction shall use 1.0 as the factor that represents the lowest five-year average cost of education among all elementary and high school weighting categories other than kindergarten and shall use proportionately increased factors to represent the five-year average cost of education in all remaining weighting categories except kindergarten.

**SECTION 6. AMENDMENT.** Section 15.1-27-07 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07. Per student payments - Weighting factors - Elementary school students.** The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating an elementary school and to each school district contracting to educate elementary students in a federal school, subject to adjustment as provided in section 15.1-27-21.

- ~~1. a. Each district having only a one room rural school is entitled to receive the amount of money that results from multiplying the factor 1.28 adjusted by eighty five percent of the difference between 1.28 and the factor representing the five year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through eight in that school, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment level provided for in this subdivision is applicable only to the first sixteen students.~~
- ~~b. If the one room rural school has more than sixteen students in average daily membership in grades one through eight, the district in which the school is located is entitled to receive ninety percent of the per student payment provided for in section 15.1-27-04 for each additional student. The district is not entitled to any payment for more than twenty students in average daily membership.~~
- ~~c. If a one room rural school is located in a district having another elementary school, the weighting factor for the students in grades one through six must be based on the average daily membership in the district in grades one through six, as provided in this section.~~
- ~~d. If a one room rural school is located in a school district with another school that has students in grade seven or eight, the weighting factor~~



~~for the students in grade seven or eight must be the same as that provided for in subsection 5.~~

- ~~2.~~ 1. ~~Except as provided in subsection 1, each~~ Each school district having fewer than one hundred students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor 1.09 adjusted by eighty five percent of the difference between 1.09 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty five students in average daily membership per classroom or per teacher.~~
- ~~3.~~ 2. Each school district having at least one hundred students ~~but fewer than one thousand students~~ in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .905 adjusted by eighty five percent of the difference between .905 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.~~
- ~~4.~~ 3. Each school district having at least one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .95 adjusted by eighty five percent of the difference between .95 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five year average cost of the education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.~~
- ~~5.~~ 3. Each school district having students in grades seven and eight is entitled to receive the amount of money that results from multiplying the factor 1.01 adjusted by eighty five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades seven and eight in the district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher. The payments provided for in this subsection are not available for students who attend a one room rural school if that school is the only one in the district that offers educational services to students in grades seven and eight.~~
- ~~6.~~ 4. Each school district having a special education program approved by the director of special education is entitled to receive, for each student who is enrolled in the program and who is at least three years of age but less than the compulsory age for school attendance, the amount of money that results from multiplying the factor 1.01 adjusted by eighty five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of special education

students in average daily membership in the program who are at least three years of age but less than the compulsory age for school attendance, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~

- ~~7.~~ 5. a. Each school district operating a kindergarten as provided for in section 15.1-22-02 is entitled to receive the amount of money that results from multiplying the factor ~~.50 adjusted by eighty five percent of the difference between .50 and the factor~~ representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of kindergarten students in average daily membership in the district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~ The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
- b. In order to receive the full per student payment available under this section, a district must operate a kindergarten program that provides the equivalent of ninety full days of classroom instruction during a twelve-month period. A district is entitled to a prorated payment under this section if it operates a kindergarten program of shorter duration.
- ~~8.~~ 6. Each school district that educates students who are also enrolled in nonpublic schools is entitled to receive proportionate payments under this section.
- ~~9.~~ 7. Each school district is entitled to receive as much in total payments for elementary students as it would have received if it had the highest number of students in the next lower category.
- ~~10.~~ 8. A school district is not entitled to any payments provided for by this chapter unless each teacher employed by the district:
- a. Holds a teaching license issued by the education standards and practices board; or
- b. Has been approved to teach by the education standards and practices board.
9. In calculating payments under subsections 1 through 4 and under section 15.1-27-06, the superintendent of public instruction shall use 1.0 as the factor that represents the lowest five-year average cost of education among the elementary and high school weighting categories other than kindergarten and shall use proportionately increased factors to represent the five-year average cost of education in all remaining weighting categories except kindergarten.

**SECTION 7. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. High school districts - Supplemental payments.**

1. The superintendent of public instruction shall calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:
- a. The district's latest available net assessed and equalized taxable valuation of property; plus
- b. All tuition payments and county ~~and unrestricted federal~~ revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.
2. ~~If the~~ The superintendent of public instruction shall verify that:

- a. The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student and if the;
  - b. The district's educational expenditure per student is below the most recent available statewide average cost of education per student;
  - c. The district has a general fund levy of at least one hundred eighty mills; and
  - d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent ~~of public instruction~~ shall:
- a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;
  - b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;
  - c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and
  - d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.
- e. 4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.

**SECTION 8. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. Per student payments - Isolated schools.**

- 1. If an elementary school has fewer than fifty students and fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15.1-27-07 must be increased by ~~twenty~~ twenty-five percent ~~for the first fifteen students~~. If the school has fewer than fifteen students, the payment received must be for fifteen students.
- 2. If a high school has fewer than thirty-five students and fifteen percent or more of its students would have to travel beyond a twenty-mile [32.2-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15.1-27-06 must be increased by ~~twenty~~ twenty-five percent ~~for the first twenty students~~. If the school has fewer than twenty students, the payment received must be for twenty students.

**SECTION 9. AMENDMENT.** Section 15.1-27-37 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-37. Compensation of teachers - Claim for reimbursement - Rules.**

- 1. On or before October first of each year or within thirty days after the conclusion of the negotiation process provided for in chapter 15.1-16, the board of a school district may file a claim with the superintendent of public instruction for the reimbursement of moneys to be expended by the district

during the school year to at least maintain the level of compensation provided to teachers employed by the district during the ~~2002-03~~ preceding school year.

2. The claim must include:
  - a. The number of full-time equivalent teachers employed by the district as of September fifteenth of the current school year;
  - b. The number of full-time equivalent teachers whose level of compensation will be at least equal to that provided during the ~~2002-03~~ preceding school year; and
  - c. The total amount of any compensation increases provided to full-time equivalent teachers over the level of compensation provided during the ~~2002-03~~ preceding school year.
  
3.
  - a. For the ~~2003-04~~ 2005-06 school year, the reimbursement provided for in this section may not exceed ~~three~~ two thousand four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, ~~2003~~ 2005. The superintendent of public instruction shall distribute an amount equal to six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2005, in the same manner as per student payments under chapter 15.1-27.
  
  - b. For the ~~2004-05~~ 2006-07 school year, the reimbursement provided for in this section may not exceed ~~three~~ one thousand eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, ~~2004~~ 2006. The superintendent of public instruction shall distribute an amount equal to one thousand two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2006, in the same manner as per student payments under chapter 15.1-27.
  
  - c. For the 2007-08 school year, the reimbursement provided for in this section may not exceed one thousand two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007. The superintendent of public instruction shall distribute an amount equal to one thousand eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007, in the same manner as per student payments under chapter 15.1-27.
  
  - d. For the 2008-09 school year, the reimbursement provided for in this section may not exceed six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008. The superintendent of public instruction shall distribute an amount equal to two thousand four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008, in the same manner as per student payments under chapter 15.1-27.
  
  - e. For the ~~2003-04~~ 2005-06 school year, the reimbursement under this section for each individual employed as of September 15, ~~2003~~ 2005, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed ~~one thousand~~ eight hundred dollars. The superintendent of public instruction shall distribute an amount equal to two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2005, in the same manner as per student payments under chapter 15.1-27.
  
  - ~~d.~~ f. For the ~~2004-05~~ 2006-07 school year, the reimbursement under this section for each individual employed as of September 15, ~~2004~~ 2006, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices

board, may not exceed ~~one thousand~~ six hundred dollars. The superintendent of public instruction shall distribute an amount equal to four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2006, in the same manner as per student payments under chapter 15.1-27.

- g. For the 2007-08 school year, the reimbursement under this section for each individual employed as of September 15, 2007, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed four hundred dollars. The superintendent of public instruction shall distribute an amount equal to six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007, in the same manner as per student payments under chapter 15.1-27.
  - h. For the 2008-09 school year, the reimbursement under this section for each individual employed as of September 15, 2008, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed two hundred dollars. The superintendent of public instruction shall distribute an amount equal to eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008, in the same manner as per student payments under chapter 15.1-27.
4. For purposes of this section, the claim of a district may include proportionate expenditures made by the district to compensate individuals employed as teachers by the special education unit or the area career and technology center to which the district belongs.
  5. The superintendent of public instruction may adopt rules regarding claims for and the payment of reimbursements under this section.

**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Annual compensation - Maintenance of prior level. The amount of compensation paid by the board of a school district to an individual teacher during the 2005-06 school year may not be less than the amount paid to that same teacher during the 2004-05 school year for performing identical services. The amount of compensation paid by the board of a school district to an individual teacher during the 2006-07 school year may not be less than the amount paid to that same teacher during the 2005-06 school year for performing identical services.

**SECTION 11. AMENDMENT.** Section 15.1-27-40 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-40. Approved joint powers agreement - Reimbursement by superintendent of public instruction.**

1. ~~The individual employed as a chief administrator for the purpose of carrying out the provisions of a joint powers agreement and any requirements under section 15.1-07-27 shall~~ executive director of an educational association governed by a joint powers agreement which the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28 shall annually submit to the superintendent of public instruction, at the time and in the manner designated by the superintendent, ~~receipts for expenses incurred during a school year in delivering services and programs under section 15.1-07-27.~~
2. ~~The superintendent of public instruction, upon verifying the receipts, shall reimburse the chief administrator of the joint powers agreement for any expenses incurred in delivering services and programs under the auspices of the joint powers agreement as provided in section 15.1-07-27. The reimbursement may not exceed the lesser of:~~

- a. ~~The total expenses incurred in delivering services and programs under section 15.1-07-27; or~~
- b. ~~Fifty thousand dollars.~~
- 3. ~~The chief administrator a report detailing all expenses incurred by the educational association and shall attribute the expenses on a per student basis by participating school district.~~
- 2. ~~The executive director shall deposit any moneys received under subsection 2 in the participating districts by or on behalf of the association into the educational association's joint operating fund.~~
- 4. ~~The superintendent of public instruction may not provide any reimbursement to a chief administrator under this section unless the joint powers agreement under which the services and programs are delivered has been approved by the superintendent.~~

**SECTION 12. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - ~~Apportionment~~ - Payment.**

- 1. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. ~~The~~
- 2. Beginning July 1, 2005, and ending June 30, 2007, the superintendent of public instruction shall apportion:
  - a. Apportion seventy percent of the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law, and pay the amount apportioned to each school district. ~~The superintendent shall make the payments required by this section at the same time as the per student payments required under chapter 15.1-27; and~~
  - b. Distribute thirty percent of the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.
- 3. Beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction shall:
  - a. Apportion thirty percent of the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law, and pay the amount apportioned to each school district at the same time as the per student payments required under chapter 15.1-27; and
  - b. Distribute seventy percent of the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.
- 4. Beginning July 1, 2009, and thereafter, the superintendent of public instruction shall distribute all moneys available in the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.

**SECTION 13. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

- 1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.

2. For purposes of per student payments and tuition ~~apportionment~~ fund payments, a student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.
3. A school district in this state may not agree to accept students from a bordering state unless the tuition payable equals or exceeds the per student payment plus the tuition ~~apportionment~~ fund payment that the district would have received from this state for a student in the same grade if its student had been attending school in the bordering state.

**SECTION 14. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - Per student aid - Tuition ~~apportionment~~ fund.**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:
  - a. The student graduates;
  - b. The student relocates to another district;
  - c. The student's parent applies for enrollment in another school district; or
  - d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.
2. Payment for per student aid must be made to the admitting district in accordance with chapter 15.1-27.
3. For purposes of tuition ~~apportionment~~ fund payments, a student whose application is approved under this section is considered a resident of the admitting district.
4. Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 15. AMENDMENT.** Section 37 of chapter 667 of the 2003 Session Laws is amended and reenacted as follows:

**SECTION 37. CONTINGENT PAYMENTS - DISTRIBUTION.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in Senate Bill No. 2013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent of public instruction shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall return the first \$759,000 to the state general fund.
2. The superintendent of public instruction shall use the ~~first~~ next \$250,000, or so much of that amount as is necessary, for the purpose of providing reimbursements to the chief administrators of joint powers agreements pursuant to section 19 of this Act.
- ~~2.~~ 3. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as is necessary, for the purpose of providing reorganization bonuses, pursuant to section 15.1-12-11.1, to school districts having reorganizations effective after July 1, 2003, and before July 1, 2005. If insufficient moneys exist to fully meet the requirements of this subsection, the superintendent of public instruction shall prorate the payments according to that percentage of the amount available to which a school district is entitled.

- 3- 4. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis, according to the average daily membership of each school district during the 2004-05 school year.

**SECTION 16. TRANSPORTATION GRANTS - DISTRIBUTION.** The superintendent of public instruction shall distribute from the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, an amount equal to the state transportation aid payments distributed during the 2003-05 biennium. The superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement for in-city mileage at the rate of fifty cents for schoolbuses having a capacity of ten or more students and reimbursement for vehicles having a capacity of nine or fewer students and transporting students who live outside the incorporated limits of a city at the rate of forty cents per mile. The superintendent of public instruction shall use the latest available student enrollment count in each school district. If insufficient moneys exist to fully meet the requirements of this section, the superintendent of public instruction shall prorate the payments according to the percentage of the amount available to which each school district is entitled. Nothing in this section permits reimbursement for any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 17. CONTINGENCY - RETURN OF MONEYS TO THE GENERAL FUND.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and if section 15 of this Act does not become effective before July 1, 2005, the superintendent of public instruction shall return the first \$759,000 to the state general fund.

**SECTION 18. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 17 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the next \$450,000 of the moneys to provide additional payments to school districts serving English language learners, in accordance with section 15.1-27-12.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as is necessary, for the purpose of providing payments to educational associations governed by joint powers agreements that the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28.
3. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 19. CONTINGENCY PAYMENTS - TEACHER COMPENSATION - ADDITIONAL PER STUDENT PAYMENTS.** If any moneys appropriated by the legislative assembly to the grants - teacher compensation line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after completion of all statutory obligations, the superintendent of public instruction shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 20. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of contracting to provide transportation efficiency training to school district personnel, for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 21. APPROPRIATION.**



1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing funding to eligible educational associations, for the biennium beginning July 1, 2005, and ending June 30, 2007.
2.
  - a. The superintendent of public instruction shall use \$1,360,000, or so much of that sum as is necessary, to assist eligible educational associations with hiring and compensating staff.
  - b. The superintendent of public instruction shall use \$590,000, or so much of that sum as is necessary, to provide per student payments during each year of the biennium, to each eligible educational association, based on the number of students in average daily membership in each school district participating in the association.
  - c. The superintendent of public instruction shall use \$50,000, or so much of that sum as is necessary, to reimburse eligible educational associations formed on or after July 1, 2005, for expenses incurred in their formation.
3. No eligible educational association may receive more than \$250,000 under subdivision a of subsection 2 during the biennium.
4. For purposes of this section, an "eligible" educational association is one that is governed by a joint powers agreement which the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28.

**SECTION 22. APPROPRIATION - REORGANIZATION BONUSES - CONTINGENCY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$759,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a reorganization bonus to any school district having a reorganization effective on July 1, 2005, pursuant to section 15.1-12-11.1, for the biennium beginning July 1, 2005, and ending June 30, 2007. If any moneys remain after the superintendent of public instruction completes the payment of bonuses for any reorganization effective on July 1, 2005, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 23. REPEAL.** Sections 15.1-09-42 and 15.1-12-11.2 of the North Dakota Century Code are repealed.

**SECTION 24. REPEAL.** Section 15.1-12-11.1 of the North Dakota Century Code is repealed.

**SECTION 25. REPEAL.** Sections 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 26. EFFECTIVE DATE.** Section 24 of this Act becomes effective on December 31, 2005.

**SECTION 27. EFFECTIVE DATE.** Section 25 of this Act becomes effective on July 1, 2009.

**SECTION 28. EMERGENCY.** Section 15 of this Act is declared to be an emergency measure."

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1006, HB 1009, HB 1181, HB 1189, HB 1470.

**SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1006**

Page 1, line 21, replace "568,477" with "551,879"

Page 1, line 23, replace "743,179" with "726,581"

Page 2, line 2, replace "738,223" with "721,625"

Page 2, line 9, replace "13,374,589" with "13,357,991"

Page 2, line 13, replace "22,012,918" with "21,996,320"

Page 2, line 15, replace "21,892,918" with "21,876,320"

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1006 - State Tax Commissioner - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$13,427,930	\$13,374,589	(\$16,598)	\$13,357,991
Operating expenses	4,663,329	4,613,329		4,613,329
Capital assets	25,000	25,000		25,000
Homestead tax credit	7,000,000	4,000,000		4,000,000
Integrated tax processing system		<u>14,000,000</u>		<u>14,000,000</u>
Total all funds	\$25,116,259	\$36,012,918	(\$16,598)	\$35,996,320
Less estimated income	<u>120,000</u>	<u>14,120,000</u>		<u>14,120,000</u>
General fund	\$24,996,259	\$21,892,918	(\$16,598)	\$21,876,320
FTE	133.00	133.00	0.00	133.00

#### Dept. 127 - State Tax Commissioner - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$16,598)	(\$16,598)
Operating expenses		
Capital assets		
Homestead tax credit		
Integrated tax processing system		
Total all funds	(\$16,598)	(\$16,598)
Less estimated income		
General fund	(\$16,598)	(\$16,598)
FTE	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

#### SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

Page 1, line 2, remove "4-01-19,"

Page 1, line 3, remove "pride of Dakota program, the"

Page 1, line 5, after "fees" insert "; to provide a contingent appropriation"

Page 2, line 7, replace "1,211,582" with "1,243,463"

Page 2, line 8, replace "822,550" with "896,050"

Page 2, line 10, replace "1,674,225" with "1,624,225"

Page 2, line 11, replace "1,310,099" with "1,309,224"

Page 2, after line 11, insert:

"Contingent appropriation - wildlife services 130,000"

Page 2, remove line 17

Page 2, line 19, replace "1,520,341" with "1,504,847"

Page 2, line 20, replace "1,318,026" with "1,244,916"

Page 2, line 21, replace "202,315" with "259,931"

Page 2, line 27, replace "5,706,552" with "5,738,433"

Page 2, line 28, replace "4,182,375" with "4,255,875"

Page 2, line 30, replace "1,774,225" with "1,724,225"

Page 2, line 31, replace "2,179,563" with "2,178,688"

Page 2, after line 31, insert:

"Contingent appropriation - wildlife services 130,000"

Page 3, line 1, replace "225,000" with "25,000"

Page 3, line 2, replace "14,072,715" with "14,057,221"

Page 3, line 3, replace "9,636,875" with "9,563,765"

Page 3, line 4, replace "4,435,840" with "4,493,456"

Page 3, remove lines 22 through 30

Page 8, after line 24, insert:

**"SECTION 13. CONTINGENT APPROPRIATION - WILDLIFE SERVICES.**

The contingent appropriation - wildlife services contained in section 3 of this Act is a contingent appropriation out of any moneys in the game and fish fund, not otherwise appropriated, to the agriculture commissioner for the wildlife services program. This funding is in addition to the funding identified in section 6 of this Act. If the federal funding for the cooperative wildlife damage management program for North Dakota wildlife services for federal fiscal year 2006 is less than \$400,000, then \$65,000 of the appropriation is available for wildlife service programs and if the same federal funding is less than \$400,000 for federal fiscal year 2007, an additional \$65,000 of the appropriation is available for wildlife service programs."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,766,637	\$5,706,552	\$31,881	\$5,738,433
Operating expenses	4,358,278	4,182,375	73,500	4,255,875
Capital assets	5,000	5,000		5,000
Grants	1,524,225	1,774,225	(50,000)	1,724,225
Board of Animal Health	2,374,832	2,179,563	(875)	2,178,688
Crop Harmonization Board	225,000	225,000	(200,000)	25,000
Contingent appropriation			<u>130,000</u>	<u>130,000</u>
Total all funds	\$14,253,972	\$14,072,715	(\$15,494)	\$14,057,221
Less estimated income	<u>9,368,014</u>	<u>9,636,875</u>	<u>(73,110)</u>	<u>9,563,765</u>
General fund	\$4,885,958	\$4,435,840	\$57,616	\$4,493,456
FTE	61.00	61.00	0.00	61.00

**Dept. 602 - Department of Agriculture - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REMOVES FUNDING FOR CROP HARMONIZATION BOARD 2	DECREASES FUNDING FOR SALT CEDAR 3	INCREASES FUNDING FOR PROJECT SAFE SEND 4	RESTORES FUNDING FOR MEAT INSPECTION PROGRAM 5	ADDS CONTINGENT FUNDING FOR WILDLIFE SERVICES 6
Salaries and wages	(\$6,114)					\$37,995
Operating expenses				\$50,000	23,500	
Capital assets						
Grants			(\$50,000)			
Board of Animal Health	(875)					
Crop Harmonization Board		(\$200,000)				
Contingent appropriation						<u>\$130,000</u>
Total all funds	(\$6,989)	(\$200,000)	(\$50,000)	\$50,000	\$61,495	\$130,000
Less estimated income	<u>(3,110)</u>	<u>(200,000)</u>	<u>(50,000)</u>	<u>50,000</u>		<u>130,000</u>

General fund	(\$3,879)	\$0	\$0	\$0	\$61,495	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL SENATE CHANGES					
Salaries and wages	\$31,881					
Operating expenses	73,500					
Capital assets						
Grants	(50,000)					
Board of Animal Health	(875)					
Crop Harmonization Board	(200,000)					
Contingent appropriation	130,000					
Total all funds	(\$15,494)					
Less estimated income	(73,110)					
General fund	\$57,616					
FTE	0.00					

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

<sup>2</sup> The Senate reduced the appropriation authority for the Crop Harmonization Board which is not needed because of continuing appropriation authority.

<sup>3</sup> The Senate reduced funding from the environment and rangeland protection fund for saltcedar surveys and eradication.

<sup>4</sup> The Senate increased the funding for Project Safe Send by \$50,000. The funding source for this increase is from the environment and rangeland protection fund.

<sup>5</sup> The Senate restored funding for a meat inspector position and related operating expenses.

<sup>6</sup> The Senate added \$130,000 from the game and fish fund, contingent on federal funds not being available for the program. If the federal funding for the cooperative wildlife damage management program for North Dakota Wildlife Services for federal fiscal year 2006 is less than \$400,000, then \$65,000 of game and fish funds are appropriated for wildlife services programs. If the federal funding for the cooperative wildlife damage management program for North Dakota Wildlife Services for federal fiscal year 2007 is less than \$400,000, then \$65,000 of game and fish funds are appropriated for wildlife services programs.

#### SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1181

Page 1, line 11, after "thousand" insert "five hundred"

Page 1, line 21, after "thousand" insert "five hundred"

Re-number accordingly

#### SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1189

Page 2, remove lines 2 and 3

Re-number accordingly

#### SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1470

In addition to the amendments adopted by the Senate as printed on page 1064 of the Senate Journal, Engrossed House Bill No. 1470 is further amended as follows:

Page 1, line 3, after "program" insert "; and to provide an expiration date"

Page 3, after line 19, insert:

**"SECTION 3. EXPIRATION DATE.** Section 2 of this Act is effective through July 31, 2007, and after that date is ineffective."

Re-number accordingly

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, unchanged: HB 1153, HB 1527.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2017, SB 2067, SB 2186, SB 2280, SB 2301, SB 2371, and SB 2411.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2227.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2204 and SB 2274 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2204:** Sens. Krebsbach; Espegard; Fairfield

**SB 2274:** Sens. Mutch; Nething; Bercier

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has appointed as a conference committee to act with a like committee from the House on:

**HB 1195:** Sens. Mutch; Klein; Heitkamp

**HB 1421:** Sens. Cook; G. Lee; Fairfield

**MOTION**

**REP. MONSON MOVED** that the absent members be excused, which motion prevailed.

**MOTION**

**REP. MONSON MOVED** that the House be on the fifth, thirteenth, fourteenth, and sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 9:00 a.m., Monday, April 4, 2005, which motion prevailed.

**FIRST READING OF SENATE CONCURRENT RESOLUTION**

**SCR 4040:** A concurrent resolution urging the Commissioner of Major League Baseball to reinstate Roger Maris as holder of the single-season major league baseball home run record.

Was read the first time and referred to the **Agriculture Committee**.

**REPORT OF STANDING COMMITTEE**

**SB 2015, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 8 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2015 was placed on the Sixth order on the calendar.

Page 1, line 4, after "facilities" insert "; to amend and reenact subsection 2 of section 12.1-32-07 of the North Dakota Century Code, relating to supervision fees for a probationer; to provide a statement of legislative intent; to provide for a legislative council study"

Page 1, line 20, replace "\$21,087,058" with "\$5,246,568"

Page 1, line 21, replace "(72,022,798)" with "5,606,730"

Page 1, line 22, replace "(9,629,163)" with "(1,722,510)"

Page 1, line 23, replace "(11,577,679)" with "1,213,416"

Page 1, remove line 24

Page 2, remove line 1

Page 2, line 2, replace "1,100,000" with "1,500,000"

Page 2, line 3, replace "13,540,401" with "11,844,204"

Page 2, line 4, replace "(4,018,278)" with "(6,420,477)"

Page 2, line 5, replace "17,558,679" with "18,264,681"

Page 2, replace lines 12 and 13 with:

"Field services	\$26,333,626
Prisons division	77,629,528
Juvenile community services	7,906,653
Youth correctional center	12,791,095"

Page 2, line 14, replace "1,100,000" with "1,500,000"

Page 2, line 15, replace "127,857,099" with "126,160,902"

Page 2, line 16, replace "28,561,809" with "26,159,610"

Page 2, line 17, replace "99,295,290" with "100,001,292"

Page 3, underscore lines 5 through 14

Page 3, after line 14, insert:

**"SECTION 8. AMENDMENT.** Subsection 2 of section 12.1-32-07 of the North Dakota Century Code is amended and reenacted as follows:

2. The conditions of probation must be such as the court in its discretion deems reasonably necessary to ensure that the defendant will lead a law-abiding life or to assist the defendant to do so. The court shall provide as an explicit condition of every probation that the defendant not commit another offense during the period for which the probation remains subject to revocation. The court shall order supervision costs and fees of not less than ~~thirty-six~~forty dollars per month unless the court makes a specific finding on record that the imposition of fees will result in an undue hardship. If the offender has not paid the full amount of supervision fees and costs before completion or termination of probation, the court may issue an order, after opportunity for hearing, to determine the amount of supervision fees and costs that are unpaid. The order may be filed, transcribed, and enforced by the department of corrections and rehabilitation in the same manner as civil judgments rendered by a district court of this state.

**SECTION 9. LEGISLATIVE INTENT - COMPOSITE SCHEDULE.** It is the intent of the fifty-ninth legislative assembly that future composite schedules for teacher salaries prepared by the office of management and budget's human resource management services division be developed so that the pay increases are based on the salaries of all teachers who teach in schools with a combined enrollment of greater than one hundred students, excluding the Fargo and West Fargo school districts.

**SECTION 10. LEGISLATIVE INTENT - EMPLOYEE SALARY EQUITY - FIELD SERVICES.** It is the intent of the fifty-ninth legislative assembly that if the department of corrections and rehabilitation can identify \$250,000 of general fund savings within its 2005-07 biennium appropriation, the department may use that savings to provide salary equity adjustments for employees in the field services division.

**SECTION 11. LEGISLATIVE INTENT - SHORT-TERM DIVERSION.** It is the intent of the fifty-ninth legislative assembly that the department of corrections and rehabilitation increase the number of inmates in short-term diversion during the 2005-07 biennium by fifteen inmates, from thirty to forty-five inmates.

**SECTION 12. LEGISLATIVE COUNCIL STUDY - STRATEGIC PLAN FOR DEPARTMENT OF CORRECTIONS AND REHABILITATION'S INCARCERATION AND CORRECTIONAL FACILITY NEEDS.**

1. The legislative council shall appoint an interim committee, during the 2005-06 interim, to develop a legislative strategic plan, including site and facilities' plans, for the department of corrections and rehabilitation's incarceration and correctional facility needs.
2. The legislative council shall appoint a minimum of ten members of the house of representatives and a minimum of five members of the senate. The legislative council shall appoint the chairman of the appropriations committee of the house of representatives or the senate or the assistant majority leader of the house of representatives or the senate as the chairman of the committee.
3. The committee shall:
  - a. Receive information from the department of corrections and rehabilitation, regional authorities with regional corrections centers, counties with county jails, cities with city jails, corporations operating private correctional facilities, and others the committee considers necessary to develop a strategic plan for the state's incarceration and correctional facility needs for the next twenty years.

- b. Consider using existing facilities; other available state facilities; and county, local, or private facilities.
  - c. Consider any cost and benefits of replacing all or parts of existing correctional facilities or other state property with a modern all-encompassing facility.
  - d. Consider state-operated facilities compared to contract-operated state facilities.
  - e. Consider contracting with a private entity to provide all or part of the state's correctional and rehabilitation needs.
  - f. Consider the impact to the department of corrections and rehabilitation of changing sentencing guidelines, increasing fines as an alternative to incarceration for nonviolent or minor drug offenders, and utilizing alternatives to incarceration and treatment programs, including receiving information regarding the efficiency of treatment programs.
  - g. Develop a strategic plan based on the information received by the committee.
4. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2015 - Department of Corrections and Rehabilitation - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Field Services	\$26,949,674		\$26,333,626	\$26,333,626
Prisons Division	80,513,984		77,629,528	77,629,528
Juvenile Community Services	7,948,024		7,906,653	7,906,653
Youth Correctional Center	12,927,127		12,791,095	12,791,095
Adult Services		\$105,918,493	(105,918,493)	
Juvenile Services		20,838,606	(20,838,606)	
Equity pool	<u>1,000,000</u>	<u>1,100,000</u>	<u>400,000</u>	<u>1,500,000</u>
Total all funds	\$129,338,809	\$127,857,099	(\$1,696,197)	\$126,160,902
Less estimated income	<u>28,150,416</u>	<u>28,561,809</u>	<u>(2,402,199)</u>	<u>26,159,610</u>
General fund	\$101,188,393	\$99,295,290	\$706,002	\$100,001,292
FTE	675.28	675.78	1.00	676.78

**Dept. 530 - Department of Corrections and Rehabilitation - Detail of House Changes**

	SPLITS LINE ITEMS INTO 4 DIVISIONS <sup>1</sup>	TRANSFERS FUNDS FROM FIELD SERVICES TO PRISONS DIVISION <sup>2</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>3</sup>	REDUCES FUNDING FOR EXTRAORDINARY REPAIRS - YCC <sup>4</sup>	REDUCES FUNDING FOR EQUIPMENT OVER \$5,000 - YCC <sup>5</sup>	REDUCES FUNDING FOR OPERATING EXPENSES <sup>6</sup>
Field Services	\$27,113,178	(\$618,524)	(\$11,028)			
Prisons Division	78,805,315	618,524	(53,610)			
Juvenile Community Services	7,937,119		(4,266)			(\$26,200)
Youth Correctional Center	12,901,487		(11,592)	(\$30,000)	(\$20,000)	(23,800)
Adult Services	(105,918,493)					
Juvenile Services	(20,838,606)					
Equity pool						
Total all funds	\$0	\$0	(\$80,496)	(\$30,000)	(\$20,000)	(\$50,000)
Less estimated income			(7,199)			
General fund	\$0	\$0	(\$73,297)	(\$30,000)	(\$20,000)	(\$50,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

CHANGES FUNDING SOURCE DUE TO \$4 INCREASE IN SUPERVISION FEES <sup>7</sup>	REDUCES FUNDING FOR BISMARCK TRANSITION CENTER <sup>8</sup>	ADDS FUNDING FOR INMATE CONTRACT HOUSING <sup>9</sup>	REDUCES FUNDING FOR EXTRAORDINARY REPAIRS - PRISONS DIVISION <sup>10</sup>	REDUCES FUNDING FOR EQUIPMENT OVER \$5,000 - PRISONS DIVISION <sup>11</sup>	REMOVES FUNDING FOR GENERAL ISSUE OF LICENSE PLATES - ROUGH RIDER INDUSTRIES <sup>12</sup>
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Field Services		(\$150,000)				
Prisons Division			\$1,100,000	(\$222,000)	(\$38,000)	(\$2,600,000)
Juvenile Community Services						
Youth Correctional Center						
Adult Services						
Juvenile Services						
Equity pool						
Total all funds	\$0	(\$150,000)	\$1,100,000	(\$222,000)	(\$38,000)	(\$2,600,000)
Less estimated income	<u>205,000</u>					<u>(2,600,000)</u>
General fund	(\$205,000)	(\$150,000)	\$1,100,000	(\$222,000)	(\$38,000)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	ADDS 1 FTE POSITION FOR PHARMACY TECHNICIAN <sup>13</sup>	ADDS FUNDING FOR SALARY EQUITY <sup>14</sup>	TOTAL HOUSE CHANGES
Field Services			\$26,333,626
Prisons Division	\$19,299		77,629,528
Juvenile Community Services			7,906,653
Youth Correctional Center	(25,000)		12,791,095
Adult Services			(105,918,493)
Juvenile Services			(20,838,606)
Equity pool		<u>\$400,000</u>	<u>400,000</u>
Total all funds	(\$5,701)	\$400,000	(\$1,696,197)
Less estimated income			<u>(2,402,199)</u>
General fund	(\$5,701)	\$400,000	\$706,002
FTE	1.00	0.00	1.00

1 This amendment undoes the Senate's amendment to combine the four line items of the bill into two lines.

2 This amendment transfers \$618,524 from the Field Services Division to the Prisons Division to accurately reflect funding provided in the executive budget for housing inmates.

3 This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

4 This amendment reduces general fund funding for the Youth Correctional Center extraordinary repairs by \$30,000.

5 This amendment reduces general fund funding of \$20,000 for the Youth Correctional Center equipment over \$5,000 for the purchase of security beds, resulting in a total of \$16,777 remaining for the security beds.

6 This amendment reduces general fund funding for operating expenses by a total of \$50,000 between Juvenile Community Services and the Youth Correctional Center.

7 This amendment reduces the general fund appropriation by \$205,000 and increases other funds spending authority by \$205,000 for the Field Services Division due to an increase in monthly supervision fees from \$36 to \$40 per offender. This amendment also amends North Dakota Century Code Section 12.1-32-07 relating to the maximum monthly rate the court shall order for supervision fees.

8 This amendment reduces general fund funding for the Field Services Division by \$150,000 for payments to the Bismarck Transition Center. The Bismarck Transition Center would need to increase the daily rate paid by each offender from \$12 to \$16 per day to make up for the decrease in payments by the Department of Corrections and Rehabilitation.

9 This amendment adds back \$1,100,000 of the \$1,300,000 reduction made by the Senate to the Prisons Division for inmate contract housing.

10 This amendment reduces general fund funding for Prisons Division extraordinary repairs by \$222,000, for a total of \$500,000 remaining for extraordinary repairs.

11 This amendment reduces general fund funding for Prisons Division equipment over \$5,000 by \$38,000, resulting in a total of \$150,615 remaining for equipment over \$5,000.

12 This amendment removes \$2,600,000 of other funds spending authority from Roughrider Industries for the purchase of the raw materials necessary for a general issue of license plates.

13 This amendment adds 1 FTE position for a pharmacy technician at the State Penitentiary to replace contracting with 3 pharmacy technicians and to provide pharmacy services for the Youth Correctional Center.

14 This amendment adds \$400,000 from the general fund to the equity pool line item for a total of \$1,500,000. The additional \$400,000 is to be used by the Department of Corrections and Rehabilitation, in addition to the \$100,000 added by the Senate, for salary equity adjustments for all the department's employees.

This amendment also:

- Adds a section of legislative intent regarding the development of the teacher salary composite schedule.
- Adds a section of legislative intent regarding salary equity for Field Services Division employees.
- Adds a section of legislative intent regarding inmates in short-term diversion.



- Adds a Legislative Council study regarding a strategic plan for the Department of Corrections and Rehabilitation incarceration and correctional facility needs.

#### REPORT OF STANDING COMMITTEE

**SB 2254: Transportation Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). SB 2254 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on page 1241 of the House Journal, Senate Bill No. 2254 is amended as follows:

Page 1, line 6, replace "The department shall expunge," with:

- "1. An individual whose driving privileges have not been previously suspended for an alcohol-related driving offense may petition the court for an order removing the suspension from the driving record that is accessible to the public under the following circumstances:
  - a. The individual does not have a previous alcohol-related conviction or license suspension in this or another state;
  - b. The individual served the duration of the individual's suspension time;
  - c. The individual was not convicted of an alcohol-related driving offense or of a violation of section 39-08-03 subsequent to a charge of an alcohol-related driving offense for the same act or occurrence; and
  - d. The individual did not refuse to submit to a chemical test or the individual did not have an alcohol concentration that exceeded twelve one-hundredths of one percent.
2. If the conditions of subsection 1 are met, the court shall issue an order directing the department to expunge the individual's driving record that is accessible to the public. This section does not apply to a suspension for an individual under twenty-one years of age with an alcohol concentration of at least two one-hundredths of one percent by weight."

Page 1, remove lines 7 through 11

Renumber accordingly

The House stood adjourned pursuant to Representative Monson's motion.

**Bradley C. Fay, Chief Clerk**

